

صباحنا من الاجل

FINANCIAL TIMES

'Soft landing' is wishful thinking

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World News

Ruling Soviet appeals for calmness and unity

An urgent appeal for unity and calm in the Soviet Union in the face of the latest outbursts of race riots and industrial unrest was issued by the Supreme Soviet...

Bloch under scrutiny

Felix Bloch, a top US diplomat suspected of espionage, is at the centre of a bizarre surveillance exercise by the FBI...

Star Wars setback

US House of Representatives voted to cut 'Star Wars' anti-missile research from \$4.9bn to \$3.1bn...

Hungarian reform

President Mikhal Gorbachev gave a warm reception for plans for multi-party democracy in Hungary...

Israeli plans

Israel is reviving controversial plans to rehouse 350,000 Palestinian refugees living in camps in the Gaza strip and the West Bank...

Brazilian corruption

A melodramatic exchange of corruption allegations all but sank a spirited attempt by President Jose Sarney of Brazil to rehabilitate his widely discredited government...

Iran-Contragate charges

US Judge granted the request of special prosecutor Lawrence Walsh to dismiss some serious charges against former National Security Adviser John Poindexter in the Iran-Contragate case...

Japanese union role

Japanese trade unions have returned from the political wilderness to play a key role in the current crisis after scoring election victories...

Cambodian impasse

Talks between leaders of Cambodia's rival factions have broken up only days before an international conference to solve the country's problems...

Khashoggi bail set

A US federal judge set bail at \$10m for Saudi Arabian financier Adnan Khashoggi, charged with aiding former Philippine president Ferdinand Marcos in a real estate fraud...

HK refugee clash

Clash developed between the Hong Kong Government and UN staff who claimed a number of Vietnamese refugees were hidden up by police...

Ku Klux Klan course

Seven former members of the Ku Klux Klan in the US have agreed to take a course in race relations...

President elected

Spanish socialist Enrique Barón was elected president of the European Parliament...

Rebels down aircraft

Angola's Unita rebels shot down a plane on an internal flight, killing 42 people...

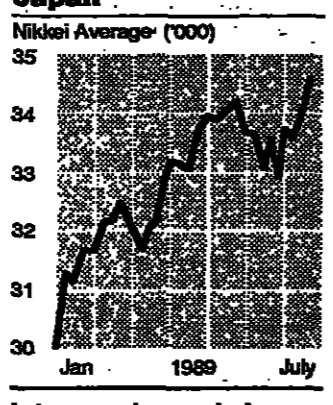
Business Summary

US considers new taxes on foreign takeovers

A US Congressional committee is considering a proposal which has the tacit approval of the Bush Administration, that would impose new taxes on foreign buyers of US companies...

Nikkei average advanced

Nikkei average advanced 445.57 to a record high of 34,538.30, the first time the Nikkei has reached a new high since May 31...



UK electronics group

STC, UK electronics group, is discussing joint ventures with European partners for its ICL subsidiary...

OECD, Organisation for Economic Co-operation and Development, called on Portugal to take urgent steps to cool its economy...

M&A, specialist magazine, survey shows strength of cross-border mergers and acquisitions in Europe grew with deals valued at almost \$16.5bn...

CONTROL Data, US computer group, reported a near \$500m loss following major restructuring moves...

TEXAS Eastern, US gas transmission company, may pull out of a \$600m deal to sell its UK and gas subsidiary to Enterprise Oil UK independent oil company...

CBU, UK employers' organisation, said optimism about UK business outlook was at seven-year low...

SOUTH Korea is opening its market to imports of tropical products from developing countries...

MOYSON Companies, Canadian brewer, is committing up to \$112.1m to secure management control at Elders IXL, Australian beer-based company...

MOHIL, US-based oil company, reported sharp drop in earnings...

HOOKER Corporation, financially troubled Australian property and retail company with US interests, said a group of its bank lenders terminated a four-month moratorium on its debt...

NYCOMED, pharmaceutical division of Hahamed Nycomed, Norwegian group, signed research agreement with US-based Smith, Kline and French Laboratories...

BRITISH Nuclear Fuels, UK reprocessing company, revealed an outline agreement with West German Government to reprocess spent fuel...

SOVIET bilateral trade with Turkey is expected to increase to \$900m this year...

NatWest directors resign over financial scandal

By Richard Waters in London

THE chairman and three of the ten executive directors of the National Westminster Bank, the UK's largest financial institution, resigned yesterday in the country's biggest financial scandal for many years...

The resignations come after five days of mounting pressure on the bank following the publication of a highly critical report by Department of Trade and Industry inspectors into its handling of an unsuccessful \$337m (£1.3bn) rights issue by employment group Blue Arrow two years ago...

Lord Boardman, the bank's chairman, in a scene unprecedented in the City of London's recent history, presented his resignation on the steps of NatWest's headquarters in the shadow of the Bank of England...

He also said that, contrary to DTI guidelines, the directors had not been given the chance to challenge evidence given to the inspectors or to counter some of the criticisms...

Lord Boardman said his resignation also reflected his willingness to accept "ultimate responsibility" for failings at the bank...

They were also attacked for not knowing enough about County's business to ask the questions that would have led them to discover how the rights issue was handled...

The DTI said that it had received no direct complaint from NatWest about the conduct of its inspectors. However, it was up to them whether or not they allowed people to respond to criticisms, it said...

The resignations were generally applauded in the City, where it had been widely believed since an emergency NatWest board meeting on Sunday that at least the three directors would go...

Lord Boardman, 70, was due to retire at the end of this year to make way for Lord Alexander, who is currently chairman of the Takeover Panel...

For similar reasons, the investigations of the Securities Association could be truncated by the spate of resignations...

Ms Elizabeth Brimelow, who was compliance director at County at the time of the Blue Arrow affair, has resigned from a similar position at Charterhouse...

Union Bank of Switzerland, the parent of UBS Phillips & Drew, which was also embroiled in the Blue Arrow affair, said that it was still looking at the position of two employees involved and that it would make a statement within 48 hours...



Centre of attention: Lord Boardman, chairman of the National Westminster Bank, after his resignation

CHRONLOGY

- July, 1987: Blue Arrow and County NatWest discuss possible bid for Manpower; Blue Arrow buys Manpower shares but avoids Class 2 disclosure to stock exchange; Wells and Reed inform NatWest executives of bid plan.
Aug: Bid for Manpower announced, and rights issue of £337m.
Sept: Blue Arrow wins bid; rights issue closes only 38 per cent subscribed; County NatWest, Phillips & Drew and Dillon Reed take up shares, and acceptances rise to 48 per cent; County briefs NatWest and Bank of England.
Sept-Oct: County distributes its holding to avoid disclosing total stake.
Dec: NatWest board assured arrangements are legal; NatWest discloses holding in Blue Arrow; UBS holding still undisclosed.
Feb, 1988: County chairman and chief executive resign as County reports losses of £116m; NatWest launches internal inquiry.
Dec: Department of Trade and Industry announces inquiry.
July, 1988: The DTI's long-awaited report issues severest public criticism ever of a British bank.

Solidarity rejects coalition plan and opts to stay in opposition

By Christopher Bobinski in Warsaw

SOLIDARITY, Poland's reform movement, yesterday rejected an invitation by the Government to join a "grand coalition"...

Mr Lech Walesa, Solidarity's leader, told General Wojciech Jaruzelski, the country's President, of the decision during a two-hour meeting...

However, Mr Walesa did hint that he was ready to join a new body proposed by General Jaruzelski "which would oversee the reform process" and which would be composed of "representatives of all social groups"...

Decisions on a new prime minister are expected to emerge at a Communist Party central committee meeting due at the end of this week...

Poland and the European Community last night agreed a wide-ranging five-year economic cooperation and trade accord, reducing some EC tariffs on Polish farm products and phasing out most EC quotas on Polish industrial goods by the mid-1990s...

Walesa with the opportunity to curtail speculation that Solidarity, which won overwhelming support in elections last month, was on the brink of forming a government...

However, Mr Walesa did hint that he was ready to join a new body proposed by General Jaruzelski "which would oversee the reform process" and which would be composed of "representatives of all social groups"...

Decisions on a new prime minister are expected to emerge at a Communist Party central committee meeting due at the end of this week...

MARKETS

Table with market data including W. Germany DAX Index, Sterling New York close, Stock indices (New York, Dow Jones, S&P Comp, Nikkei Ave), and Interest Rates (Federal Funds, Treasury Bills, Long Bond).

CONTENTS

Table of contents listing various articles such as Sri Lanka edges towards showdown with India, Bangalore: Multinationals make for Deccan Plateau, Technology: Watery grave for Sweden's nuclear waste, and others.

Advertisement for Six-to-Eight Princes Street EC2, featuring a large image of a building and text describing a rare opportunity to acquire a long leasehold interest in a superb office building.



WORLD TRADE NEWS

# Seoul opens its markets to tropical imports

By William Dullforce in Geneva

SOUTH KOREA is opening up its market to imports of tropical products from developing countries in a trade liberalising gesture of special significance to the Uruguay Round trade talks.

The elimination of import barriers to goods such as coffee, cocoa, tea, spices, tropical woods, fruits and nuts, rubber, and jute has been given priority in the Round because of their importance for Third World countries. About 80 per cent of the \$70bn world trade in tropical products originates in developing countries.

At the Round's mid-term review in December, the European Community, the US, Japan and other industrialised nations reached a package deal with 11 developing countries, under which they undertook to reduce tariffs or remove quotas on items covering some \$20bn of the trade either with immediate effect or by the middle of 1989.

South Korea, still classified as a developing country under the General Agreement on Tariffs and Trade, has this week made a contribution comparable in value to those of some industrialised countries.

It informed the group dealing with tropical products in the Round that it was reducing

its tariff rates on 238 items, or 90 per cent of those listed as objects for concessions. Further cuts in customs duties were scheduled between now and 1993.

In addition, the Koreans appended a schedule for eliminating import licensing restrictions by the end of 1991.

The South Korean move responds to EC and US demands that as their contribution to trade liberalisation, the economically more advanced, or newly industrialised, developing countries should start dismantling the barriers to their domestic markets, behind which they have been able to grow. However, EC officials said it would be necessary to study health and other regulations in force in Korea before assessing the extent to which the Korean market would be opened in practice to imports of tropical products.

Seoul is also on the verge of abandoning its right under Gatt to impose import restraints for balance-of-payment reasons. One obstacle, which may be resolved in September, is the length of the grace period South Korea would be allowed, to phase out existing restraints.

# UK call to tighten Gatt rules on textiles

By Peter Montagnon, World Trade Editor

WORLD trade in textiles should not be returned to the normal disciplines of the General Agreement on Tariffs and Trade until Gatt's own rules in areas such as dumping, subsidies and intellectual property have been strengthened, the British Apparel, Knitting and Textiles Alliance (AKA) said yesterday.

In a paper to be circulated to UK government departments, and the European Commission, the AKA said the Multi-Fibre Arrangement which governs textile trade should not be unwound until the threat of disorder in world markets is removed. This will not happen by 1991, when the current arrangement expires.

The paper follows hard on an EC submission to Gatt on Monday and is seen by AKA as adding to the strength of EC arguments in that forum. Though it covers many of the same points as that submission, Mr Colin Purvis, AKA secretary-general, stressed that the UK and European industry was looking for a firm tightening of Gatt rules, possibly even more rigorous than that envisaged by the EC.

It says the UK industry regards the present Gatt safeguards clause which allows for emergency protection against surges of imports as "entirely inadequate to avert the danger from which the MFA shelters the world trading system".

New Gatt rules would have to deal with excessive tariff and non-tariff barriers in textile exporting countries, it said, complaining that Turkey, which receives preferential EC access, imposes tariffs and levies as high as 124 per cent.

Dumping rules should be tightened to allow provisional duties on the basis of prima facie evidence of dumping, as well as the control of products made of materials bought at dumped prices, and greater use of constructed price comparisons.

Gatt rules on the use of subsidies should be tightened before the MFA can be abandoned and there should be better protection against counterfeiting and trade mark abuse.

# Multinationals make for Deccan Plateau

Electronics groups are setting up in India's 'Silicon Valley', David Housego writes

IN Bangalore, the so-called "garden city" on the Deccan Plateau in southern India and increasingly the centre of the country's electronics industry, the term "multinational" has long ceased to be a dirty word.

Local officials lovingly trip off their tongues the list of international electronics groups which have set up in the town or are in the process of doing so - including Texas Instruments, Motorola, Kodak, Sanyo, Hewlett Packard, Asea and Unisys.

Among the most interesting joint ventures for what it calls about multinationals' changing perceptions of India is a new tie-up between Bull of France and PSI, one of India's best known computer companies.

Bull has taken a 26 per cent stake in PSI with a view to manufacturing its DPS 7000 mainframe computer in India and gaining a 30 per cent share in the Indian mainframe market. Like many US groups, it also intends to draw on Indian software expertise to develop and produce a general purpose computer system for the Indian market, bringing out over the years a range of PCs and mini-computers. They developed data acquisition and numerical control systems for industry. They kept up their emphasis on exports with the development of a large computer-based education system for a Japanese corporate client.

PSI rapidly built up its staff to the current level of 430 of whom a third are involved in research and development. Sales grew even faster still, expanding at an average of 40 per cent a year to Rs160.5m last year. But profits did not always follow. "There were occasions," says Mr Deshpande, "when sometimes we did not pay salaries on the due date".

With a management that

was engineering-led, the company sometimes took on work that was challenging technically rather than profitable. Last year, it made a loss in part because of the manpower hours absorbed by the negotia-

tions with Bull but also because of a large unfinished contract for the Department of Telecommunications.

Bull, which has been making sales to India for 15 years, came across PSI in its search for a partner for its mainframe business. It was impressed by PSI's electronic data processing team and by the possibility of subcontracting development work to India.

For PSI, the tie-up with Bull means it is now the only Indian company with a capability across the full range of computers from PC to mainframe. It imposes on it the discipline of working to international standards both in development work and in the equipment it produces. "The real benefit to us," says Mr Deshpande, "is that we are now involved in leading-edge technology development both in hardware and software". He

adds that in manufacturing, "there is a lot to gain for us in terms of professionalism right from purchase specifications to quality control and customer support".

Bull now have eight specialists in Bangalore helping PSI improve its performance in such areas as marketing, financial management and quality control. At the same time, Indian engineers from PSI have gone to France to work on projects such as the development of simulator tools, the optimisation of operating systems, and the development of new Unix features which will give them a better knowledge of Bull's methodology.

PSI is investing Rs140m-150m in a new plant to manufacture the DPS 7000 and other PSI products. Bull is sending to India the engineer in charge of quality control on the DPS 7000 line at its Angers plant in France to see that products attain Bull standards. "There is a complete change in the scale of operations of PSI," says Mr Danes.

In the mainframe sector, Mr Danes says that PSI's aim now is to become market leader in providing solutions and hardware in the areas of banking and the financial markets, production control systems in industry, and telecommunications - areas where Bull has specialised internationally. In all three, India is heavily under-equipped.

As for Bull's sub-contracting development work to India, this is part of a worldwide trend under which data processing groups have been shifting back hardware manufacture to their base country while getting software design undertaken abroad where engineer skills are cheaper. In Bangalore, the prime example of this is Texas Instruments which has established a 100 per cent-owned facility to do design work for the parent group in the US.

After an initial training period, Bull intends to get PSI to assume management responsibility for certain software products - such as qualifying new features on a communications programme or updating an existing product.

Though Bull sees the computer market in India growing at 30-35 per cent a year, it wants to advance cautiously. "We believe the key to success in India is to provide international quality solutions," says Mr Danes. He thinks it could take two to three years to build up to that level in all the sectors in which the new joint venture is interested.

In India, he adds, "you have to take into account time. Nothing significant can happen in a short time. You have to have a long term strategy".

# Norwegian group signs cancer drug research deal

NYCOMED, the pharmaceutical division of Hafslund Nycomed, the diversified Norwegian group, yesterday signed a several hundred million kroner research, development and licensing agreement with the US-based Smith, Kline and French Laboratories, Karen Fossli reports from Oslo.

The deal is to further develop and eventually market hemoregulatory peptides, a new class of bio-chemical compound used to treat cancer. According to Mr Tord Jacobson, Nycomed's director of research, the company has been involved in the development of the substance for more

than 10 years. Hemoregulatory peptides, according to Mr Jacobson, allow cancer patients to withstand greater dosages of chemicals and radiation by eliminating treatment side-effects.

Mr Jacobson further explained that two of Nycomed's researchers working at the American National Cancer Institute (NCI) confirmed results of hemoregulatory peptides during tests involving animals.

This had been further verified by researchers at Smith, Kline and French. Nycomed and its new partner aim first to introduce the substance in the US market.

# Airbus unveils orders for 34 new long-range jets

AIRBUS Industrie said it had received firm orders for a total of 34 of its planned new long-range jets, the A330 and A340, plus options for another 11 aircraft, Reuters reports from Paris.

The four-nation consortium, in which Messerschmitt Bolkow Blohm of West Germany, Aérospatiale of France, British Aerospace of the UK and CASA of Spain hold stakes, said in its monthly newsletter that two unannounced customers had signed contracts for 25 A340s with options on a further three. It also said two had ordered nine A330s with options on three more.

It gave no further details on the orders but said two unannounced customers had also placed commitments for seven A330s and one A340.

An Airbus spokesman defined "commitments" as including memoranda of understanding, preliminary agreements or letters of intent. An order is a firm purchase contract.

The A330 and A340 are being developed as a single programme. The long-range four-engine A340 is due to enter service in 1993 and the two-engine A330 in 1994. Total commitments for the two planes now stand at 303, of which 109 are firm orders.

# Ford's Australian unit to sell sports car in US

FORD Motor's Australian unit has started to produce a new sports car to go on sale in Australia this October and in North America next year, Reuters reports from Sydney.

The car will be sold in the US and Canada through Ford's Lincoln Mercury division as the Mercury Capri.

At least 30,000 small sports cars, valued at A\$400m, will be exported in a full year, Ford of Australia said. The company has invested A\$327m in the Capri programme. The front-wheel drive, two-door convertible is designed in Italy. Its engine is based on that used in Ford's Australian Laser model.

# Soviet trade with Turkey expected to rise by 28%

By Jim Bodgener in Ankara

THE Soviet Union's bilateral trade with Turkey is expected to increase to \$900m this year - a 28 per cent rise on 1988, according to Soviet embassy officials in Ankara yesterday.

Much of this will be within the terms of a Turkish goods and services exchange agreement for Soviet natural gas. The Turkish government has proposed construction of a second import pipeline, the Soviet embassy officials added.

Next year, Turkey will lift a total 2.4bn cubic metres of gas through a pipeline completed in 1987 from the Bulgarian border up to Ankara, the officials said.

The programme calls for gas imports to increase to 6bn cubic metres annually in the early 1990s.

The second pipeline would be built across Turkey's eastern border with the Soviet Union.

These developments follow a trip to Moscow this month by Mr Eivrem Fakdemirli, the Turkish Finance and Customs Minister.

During the talks, he reached agreement with the Soviet Union for a second \$150m line of credit towards the 30 per cent in cash which Ankara will have to pay for the gas.



# A message to Shareholders who have not received their Share Certificates

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It has now become clear that a significant number of share certificates and refund cheques which Lloyds Bank despatched, are reported not to have been received, particularly in the following areas:- South London, Buckinghamshire, Cambridgeshire,

Essex, Hertfordshire, Humberside, Lincolnshire, Norfolk, Northamptonshire, Oxfordshire and Yorkshire. Action for shareholders is detailed below.

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Dated this \_\_\_\_\_ day of \_\_\_\_\_ 1989 Signature: \_\_\_\_\_

OVERSEAS NEWS

Cambodia peace talks break up in disarray

By George Graham in Paris

TALKS between leaders of Cambodia's rival factions broke up in total disagreement yesterday, only days before the scheduled start of an international conference aimed at settling their country's problems.

French Foreign Minister who has acted as intermediary in the talks, was last night seeking a compromise that would bring the rival Cambodian parties to the conference table in Paris next Monday, and French officials remained optimistic that a solution could be found.

Fighting between Cambodian guerrillas and Vietnamese-backed government troops has intensified along the Thai-Cambodian border in advance of the Paris talks, with several thousand Khmer Rouge guerrillas taking part.

Mr Hun Sen, however, insisted on two separate delegations. "I will not put myself in the same basket as the Khmer Rouge," he said yesterday after the talks had broken up at the chateau of La Celle St Cloud, on the outskirts of Paris.

How to monitor the withdrawal of the Vietnamese troops from Cambodia. The Phnom Penh government opposed United Nations observers, together with a UN peacekeeping force, since the UN recognises the resistance coalition led by Prince Sihanouk.



EGYPTIAN President Hosni Mubarak (right), elected chairman of the Organisation of African Unity at this week's meeting, talks to Mali President Moussa Traore, his predecessor, during the first day of the summit. African leaders yesterday urged the UN to strengthen its peacekeeping force in Namibia to halt alleged South African interference in the territory's independence elections.

Arab leader tells of Shamir's secret meetings

By Hugh Carnegie in Jerusalem

A SENIOR West Bank Palestinian yesterday gave the first public first-hand report of recent secret meetings between leading Palestinians from the occupied territories and Mr Yitzhak Shamir, the Israeli Prime Minister.



Shamir: 'self-rule plan'

clearance to meet the prime minister and had submitted reports to PLO HQ in Tunis. Mr Shamir's office, meanwhile, refused to disclose the names of the four, saying they were not PLO members and had requested anonymity for fear of reprisals by the PLO.

His version of the meeting bore one striking resemblance to an account by Mr Yassar Arafat of the reports the PLO leader said he had received of the meetings.

Row breaks out over HK boat people injuries

By John Elliott in Hong Kong

A CLASH has developed between the Hong Kong government and staff of the United Nations High Commissioner for Refugees over claims that a substantial number of Vietnamese boat people were beaten and injured by police in a detention centre on Sunday night.

Unions apply some glue to Japan's fractious opposition

JAPANESE trade unions have returned from the political wilderness to play a key role in the current crisis. Japan's largest union confederation, scored an unprecedented victory in Sunday's national elections.

is a confederation of independent unions as well as unions linked to the JSP and the social democratic parties. It covers 7.5m workers in the private sector, and about 2.7m in the public sector.

might come much sooner. This is because in the lower house multi-seat constituencies prevail. The opposition parties often hope to secure more than one seat - so it would not be in their interest to stand aside for Rengo. "This would be very difficult for them," says Mr Sugai.

Israel revives controversial plan for refugees

By Victor Mallet

ISRAEL is reviving controversial plans to resettle 350,000 Palestinian refugees living in camps in the Gaza strip and the West Bank, according to Mr Benjamin Netanyahu, Israel's Deputy Foreign Minister.

and the effects of greater Israeli control outside the teeming camps. "The refugee problem can only be solved as part of an overall settlement," said one British diplomat. "Of itself it is not going to provide a solution."

Mr Robert Van Leeuwen, chief of the local UNHCR mission, said a "considerable number" had been injured. He felt that the scale of what had happened could be compared with an incident at another camp called Hai Ling, China a year ago when security guards beat up 100 boat people.

Mr Netanyahu insisted that helping the refugees was intended to support rather than replace the political process. Israeli politicians want Palestinian refugees in the occupied territories and in neighbouring Arab countries to drop demands for a return to their ancestral homes in what is now Israel, and the abolition or rehabilitation of refugee camps is regarded as one way of achieving this.

Row breaks out over HK boat people injuries

By John Elliott in Hong Kong

The incident has happened at a time when tensions are rising in the crowded camps, especially those set up hurriedly in poor conditions. The weather is hot and there are also tensions over the Hong Kong government's controversial plans to tell boat people who do not qualify as political refugees to return home.

Stefan Wagstyl on how unions helped inflict Sunday's defeat of the LDP

Rengo did not originally intend to fight national elections. Mr Yoshio Sugai, head of public relations at Rengo, says: "We are not a political party. We will not become one."

On policy, Rengo is social democratic. Its leaders see eye-to-eye on most things with the pragmatic right of the JSP which includes Miss Takako Doi, the chairman. Like the JSP it favours increased public spending on welfare, public works, and education.

Like the JSP it is opposed to further rapid agricultural liberalisation - something which cost the LDP millions of farmers' votes. It agrees with the right of the JSP on the need to slow down or halt the building of new nuclear power stations, but is not in favour of dismantling existing installations.

Seoul opposition leader 'wrote to Kim Il Sung'

By Maggie Ford in Seoul

MR Kim Dae Jung, South Korea's main opposition leader, has been accused by unidentified members of the Agency for National Security Planning (formerly the Korean CIA) of writing a letter to President Kim Il Sung, of North Korea.

ported by the second main opposition group, unsuccessfully called on the government of President Roh Tae Woo to apologise for attacks by the NSP on the opposition, dismiss its director and recall the National Assembly to debate the issue.

Mauritius launches offshore bank centre

By Gordon Cramb

MAURITIUS launched itself yesterday as Africa's first offshore banking centre, with a package of tax and duty incentives aimed at attracting foreign institutions.

Operations will be subject to a concessionary 5 per cent corporate tax rate, with other profits freely remittable. Barclays of the UK, the first to have been awarded a licence, is cautiously optimistic about prospects for growth there.

Assault on unpopular sales tax

JAPAN'S main opposition parties yesterday decided to submit a bill to abolish an unpopular sales tax which was the main cause of the ruling Liberal Democratic Party's stunning defeat in elections last weekend, Reuter reports from Tokyo.

The 3 per cent tax slapped on all consumer goods and services in April angered voters and the LDP lost its majority in the Upper House of parliament for the first time since the party was founded 34 years ago, giving the opposition a chance to block LDP-sponsored bills from the lower house and to initiate their own.

The ruling party has continued to defend the sales tax despite the disastrous effect on its political prospects, saying it was essential to ensure stable government revenues into the 21st century.



Indian troops stand guard outside a Sri Lankan TV station

Sri Lanka edges towards showdown with India

Colombo has ordered all Indian troops off the island by Saturday, writes Mervyn de Silva

SATURDAY brings a dangerous showdown between a small island nation and the world's second-most populous country. It will be the second anniversary of the Indo-Sri Lankan peace accord which resulted in an Indian peace-keeping force going to Sri Lanka to try to secure calm in the ethnically troubled island.

anybody's guess and every Sri Lankan's deepest worry. Breaking a long silence, Mr Lalith Athulathmudali, National Security Minister in the Jayawardene cabinet and now in charge of agriculture, told Parliament: "The crisis is very serious. We must avoid a confrontation."

In an attempt to compromise, Mr Gandhi has called for consultations on an agreed timetable for a pull-out of Indian troops. Mr Premadasa has set four preconditions:

The last point was prompted by a broadcast on Indian state television by the leader of a pro-Indian Tamil group which said that if the Indians pulled out the north-east provincial assembly would unilaterally declare an independent Tamil state. This threat was later withdrawn under Indian pressure.

The last thing Sri Lanka can face, however, is yet another crisis. Its economy has been virtually crushed and tourism has collapsed. Widespread drought and disruption and foreign reserves are down to just 10 days of imports. Businessmen complain about a central bank credit squeeze.

President Ranasinghe Premadasa, who has since replaced Mr Jayawardene and who has always been

### Hint of easing in monetary policy

By Janet Bush in New York  
THERE was speculation yesterday that the US Federal Reserve had initiated a further easing in monetary policy following reports indicating a continuing US industrial slowdown.

The Fed surprised markets by not draining reserves from the banking system through matched sales agreements as had been widely expected, a move which would have maintained the status quo on interest rates.

The omission of any open market operation by the central bank was seen as the first hint that the Fed may have lowered its target for Fed Funds, the rate at which banks lend to each other overnight and a prime tool of monetary policy, towards 9 per cent from 9 1/4 per cent.

After the Fed announced that it was not operating, the Fed Funds rate slipped to 9 1/4 per cent.

Bond analysts were cautious in interpreting yesterday's events as decisive evidence of an easing move but said they were, at the least, suspicious.

Markets had been expecting the Fed to loosen credit conditions again in response to decelerating economic growth but the consensus had been that the central bank would wait until it had seen July's employment figures due to be released on August 4.

Economic news yesterday included the release of June durable goods orders which rose 0.3 per cent, in line with expectations, but fell 0.7 per cent once defence orders were stripped out. Orders fell a revised 4.4 per cent in May.

The Employment Cost Index, watched closely as an indicator of wage trends, rose by 1.1 per cent in the second quarter, the same gain as in the second quarter of 1988.

The suggestion of a further easing had little impact on markets. The Treasury's benchmark long bond was quoted 1/4 point higher at mid-session to yield 8.12 per cent while the Dow Jones Industrial Average was 6.82 higher at 2,591.50, well below earlier highs.

## Corruption charges torpedo Sarney's bid for respectability



Sarney: ranting tones or sidestepping the questions

A MELODRAMATIC exchange of corruption allegations yesterday all but sank a spirited if vain attempt by President José Sarney of Brazil to rehabilitate the name of his widely discredited government, writes Ivo Dawson in Rio de Janeiro.

Hours before the President appeared on television to defend his record, the leading candidate in this year's elections was delivering a 13 kilo dossier of accusations against the regime to the Justice Ministry.

For his pains, Mr Fernando Collor de Mello received in return a smaller portfolio of malpractice charges levelled against his administration of the northern state of Alagoas from Mr Oscar Dias Correa, the Justice Minister. Inevitably, it was this five-minute

photo-opportunity, not the 75-minute television interview, that dominated the headlines.

With Mr Collor standing as the candidate for clean government, his opponents are clinging to the hope that scandal might reduce his formidable lead in the polls.

Currently, the 38-year-old governor has about 60 per cent of voters' preferences against 15 per cent for Mr Leonel Brizola, the veteran left-wing populist. Few if any Brazilians are likely to believe, however, that the ping-pong game of charges and counter-charges performed before the press photographers will come to anything.

A Senate committee of inquiry conducted into earlier allegations against the Sarney regime last year was quietly

shelved after hours of public hearings. Furthermore, though the Federal Police and other state agencies have conducted investigations, no leading political figure has yet been charged with an offence.

What has damaged Brazil's first civilian administration in 21 years is a widely perceived climate of irresponsibility, corruption and impunity that has characterised the last four years - provoking an outcry against politicians.

In his interview Mr Sarney astutely raised issues that independent political scientists have singled out as being behind the country's political and economic crisis. In particular, he pointed to the ambivalence in the new constitution and an alleged refusal of Congress to play a role in government.

"The President no longer has any power whatever, given the constitution," he said.

But for the most part, Mr Sarney's angry efforts to defend his record, delivered in a sustained ranting tone, appeared likely only to reinforce the view that he had absolved himself from any responsibility for the crisis.

On the issue that most recently provoked a storm of popular indignation - the President's vast delegation to the French Revolution bicentennial celebrations in Paris - Mr Sarney merely sidestepped the questions.

The outcome of a week of political mudslinging appears again to have been: Politicians 0, President 0, Spectators disgusted.

## House cuts \$2bn from Star Wars programme

By Lionel Barber in Washington

THE House of Representatives yesterday slashed by almost \$2bn President Bush's request for spending on the "Star Wars" strategic defence initiative in next year's budget.

The cut by the Democrat-controlled House was deeper than expected, and would leave the administration with \$2.9bn to fund the programme which President Reagan declared would ultimately be able to defend the US against a ballistic missile attack.

However, the House spending limit is still open to revision when leaders meet their Senate counterparts to reconcile their respective bills for the defence budget for fiscal 1990, starting October 1 this year.

President Bush conceded to Republican loyalists yesterday that he may not have fought hard enough for the SDI programme. The administration has been on the defensive recently as it has tried to persuade a sceptical Congress to fund the B-2 radar-evading Stealth bomber. The B-2 has been plagued with technical problems, has only just made its maiden flight, and costs more than \$500m per aircraft. "They focussed hard on this issue," said one Republican, "and they got creamed on SDI."

In the US Senate, the two senior members of the Armed Services committee, Democrat Senator Sam Nunn of Georgia, and Republican John Warner of Virginia, yesterday offered an amendment banning large-scale purchasing of the B-2 until prototypes meet strict flight tests. The Pentagon is still sticking to its plan to buy 132 Stealth bombers, at a cost of \$70bn spread over time.

Behind this year's debate is a growing restiveness over the amount of money the administration wants to spend on expensive weapons programmes, when US-Soviet relations are improving and the scope spending for domestic programmes is limited because of the budget deficit. Nevertheless, this year's defence bills in Congress still provide for spending of \$235bn.

## Cool wind of divestment blows in the Caribbean

Canute James in Kingston looks at efforts to reduce state involvement in national economies

THE JAMAICAN government has just removed two "for sale" signs from 10 of its state-owned Caribbean resort hotels.

Negotiations over the sale of the remaining eight hotels are being completed with prospective purchasers - which is good news for a government divesting parts of several state enterprises through various leasing and joint venture agreements, and outright sales of equity.

In Guyana, across the water, the government there is offering 10 companies for sale. Governments in the Caribbean are looking to the proceeds from divestments to meet growing demands for fiscal adjustments and to reduce the involvement of the state in national economies.

In many cases the state companies have been incurring heavy losses which have to be made up by support from already stretched budgets.

The governments are being prodded by the need for greater fiscal discipline as part of agreements with international financial institutions which are demanding lower budget deficits.

The continuing sell-off of the Jamaican hotels is the largest divestment programme to be undertaken in the region. The effort to sell the resorts was begun by the previous government, which was voted out in February.

Earlier efforts at divestment saw the sale of a half of the island's largest commercial bank, the only cement producer and a slice of the govern-

ment's stake in the island's telecommunications company.

Until this month, the response to the offer of the hotels had been unenthusiastic. Government officials said the tendency in the industry was for leasing properties, rather than outright purchases. The resorts were acquired by the government in the 1970s when government guaranteed loans were converted to equity after owners threw up their hands when there was a slump in the island's tourism.

There is now, however, an apparent change in attitude, and according to Mr P.J. Patterson, Jamaica's production and planning minister, the resorts will soon all be purchased.

"The negotiations are sensitive so at this stage we will not announce the names of the people we are talking to or any financial details," he said.

Just over 3,000 rooms are involved, and government officials say they expect sales to be based on room prices of between \$25,000 and \$50,000 each, suggesting that the government could earn as much as \$150m from the deals. In its pitch to encourage investors, the government has pointed to steady growth in the island's tourism, with the volume of stayover visitors growing by 75 per cent in the past eight years, and projected to grow another 30 per cent by 1992.

The effort to sell the hotels is being assisted by Samuel Montagu, the merchant banker, and Mr Patterson said



Caribbean resorts - testing the water for fiscal discipline

parts of the purchase of the resorts may be done under the government's debt/equity conversion programme.

After several years of little action, Trinidad and Tobago's divestment efforts are gathering momentum.

With a deterioration in the oil-based economy, the government has been forced to reduce financial support for state enterprises which accounted for \$760m of the country's \$1.7bn foreign debt.

A major breakthrough in the

divestment programme came at the start of May when the Ispat Group of India leased the state-owned Iron and Steel Company of Trinidad of Trinidad and Tobago.

Ispat will operate the plant for 10 years. The steel mill has a history of financial problems, having lost just under \$50m in the past seven years. Ispat, which was constructed at a cost of \$460m, began operating in 1981, and is projecting net profits of about \$50m between this year and 1990.

The lease agreement for the mill coincided with the government's public offer of some of its assets in the Trinidad Cement Company, after converting about a half of the company's debt to the government into equity.

The government expects to raise just under \$50m if the offer is fully subscribed. Mr Richard Jackman, the company's managing director, said recently that a loss of \$5.4m in 1987 was turned around to a profit of \$2m last year.

The government is also making public offers to reduce its 51 per cent stake in the National Commercial Bank to 36 per cent, while also offering 49 per cent of Telcel, the state-owned telecommunications company.

Officials say discussions are being held with foreign companies which they are reluctant to name. Businessmen suggest that these are British Telecom, Cable and Wireless and Northern Telecom of Canada.

State-owned hotels on the island of Tobago are also being offered for divestment. Where no purchasers are likely, the government has not been afraid to shut down companies, as it did recently with its national fishing firm.

Prospective investors have been worried, however, over legislation which limits the local holdings of foreign companies.

Mr Ken Gordon, Trinidad and Tobago's industry minister, said recently that the government is committed to

changing the legislation to improve the opportunities for foreign investors.

Guyana's efforts at divestment of state companies have just been launched. It involves ten companies in transport, agriculture, chemicals and fishing.

According to Mr Carl Greenidge, the finance minister, the government wants to end its total ownership of the companies.

"The possibilities include total closure and simple abandonment, outright sale to the private sector, and appropriate joint venture arrangements, including partial sale and leasing," he explained. "The entities will not be allowed to be a drain on, or marginally contribute, to the treasury."

But most governments in the region are hoping that they can find buyers for the companies they are offering. "One problem these governments have is convincing prospective foreign buyers and local shareholders that the companies are viable," said a Jamaican banker who has been involved in the island's divestment programme.

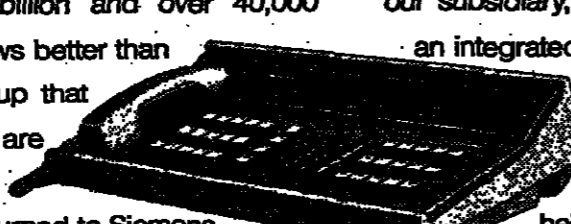
"If the companies have been money-spinners then the governments would be reluctant to sell them. But where they have been making money, as is the case with the Jamaican bank, the offers are oversubscribed.

It may be too much to hope that a simple change of the ownership structure will be enough to change the profitability of some companies."

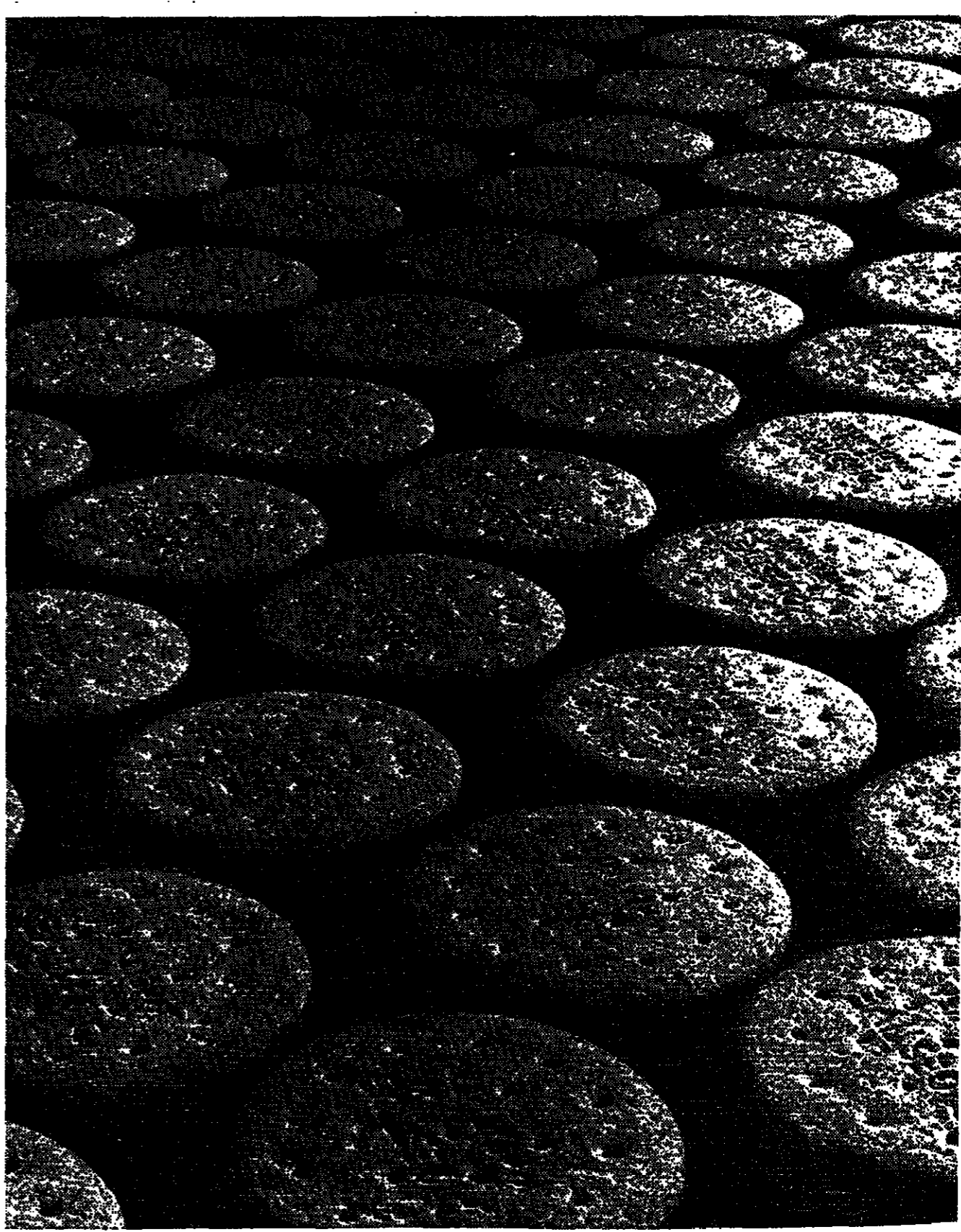
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UK NEWS

Union to discuss suspension of railway action

By Fiona Thompson, Labour Staff

TODAY'S sixth 24-hour strike by the National Union of Railwaymen could be the last. The National Union of Railwaymen's executive meets tomorrow morning and will consider a suspension of the present series of weekly stoppages. The indications are that Mr Jimmy Knapp, NUR general secretary, has won enough support to enable him to reverse last week's 12 to eight vote against suspension. The executive will review today's strike and report on its meetings with members around the country. There is a possibility that growing pressure from the rank and file to end the dispute may lead the executive to either recommend acceptance of British Rail's 8.5 per cent pay offer or decide to put it to the ballot. A ballot would be most unusual for the NUR but not unprecedented. Constitutionally, its executive has the power, after consultations, to accept or reject pay offers. It normally only holds ballots on taking strike action. To consider suspending its action, the NUR's executive would look for some indication from British Rail that it would agree to further negotiations at the conciliation service, Acas, on the question of bargaining machinery. If the union appeared to be moving on the pay issue, BR is likely to feel it should make some concession in return. This could involve dropping its requirement that the union call off, as opposed to suspend, its action before both sides could return to Acas. British Rail said yesterday it expected few trains to run today, acknowledging that key rail workers such as signallers and guards were remaining loyal to the union. Each strike day results in a loss of 0.4 per cent of the 8.5 per cent offer. There will also be no trains running on London Underground today due to a separate dispute by NUR and Aslef Tube members on pay and conditions.



The reshuffle that surprised everyone but those in the know included: Geoffrey Howe, Douglas Hurd, Margaret Thatcher, John Major and Kenneth Baker

Howe declined Home Secretary post in reshuffle

By Philip Stephens, Political Editor

SIR Geoffrey Howe's reluctant departure from the Foreign Office to make way for the promotion of Mr John Major, yesterday cast a shadow over Mrs Margaret Thatcher's dramatic restructuring of her Government. As the background to the reshuffle emerged, it became clear that Sir Geoffrey had been offered the post of Home Secretary - held by Mr Douglas Hurd - before eventually accepting that of Leader of the House of Commons and Deputy Prime Minister. The Prime Minister insisted that her radical package of cabinet-level changes - followed yesterday by a flurry of promotions among junior Ministers - would reinforce the Government's commitment to its present policies. However, the offer to Sir Geoffrey, which Downing Street had hoped would remain confidential, was seen as a slight to Mr Hurd, who had been convinced by a conversation with Mrs Thatcher only a few days earlier that his position was not under threat. Had Sir Geoffrey accepted it, Mr Hurd would have been transferred to the Commons post. There were also suggestions at Westminster that Mr Nigel Lawson, the Chancellor, had been offered by the Prime

Minister's decision to hand his official residence at Dorneywood over to Sir Geoffrey. Sir Geoffrey yesterday emphasised that he was content with his new role as the Government's business manager in the House of Commons and the chairman of several key ministerial committees. He was clearly subdued, however, when he appeared at Westminster and friends said that he had been "stunned" by Mrs Thatcher's decision to move him. They suggested that sharp differences over their approach to European integration may have prompted her decision. Sir Geoffrey, who indicated that he expects to assume the pivotal position in the Government once enjoyed by Lord Whitelaw, won the title of deputy prime minister and the committee chairmanships only after two meetings with the Prime Minister. The apparent tension was also reflected yesterday in Downing Street's insistence that the title has no constitutional basis and was given as a "courtesy". The details of the behind-the-scenes manoeuvring marred the broad welcome from Conservative MPs for the cabinet changes. The promotions for Mr John Major, Mr Chris Patten and for Mr Ken-

neth Baker were all seen as a significant shift towards improving the presentation of the Government's policies. Mr Baker, the new party chairman, said that the new team would "improve the cutting edge of the Government", while Mr Chris Patten, the new Environment Secretary, indicated that he would pay close attention to public concerns over the poll tax and environmental issues. Mr Major, who admitted that his appointment had come "like a bolt from the blue", said that Britain's future in Europe was of critical importance for the Government. The view at Westminster, however, was that initially at least he will face pressure from Mrs Thatcher to adopt a critical approach to calls from Britain's partners for greater integration. Mr Norman Lamont, the new Chief Secretary to the Treasury, warned, however, that the new cabinet Ministers could not expect any relaxation on overall public spending in the forthcoming round of negotiations. Mrs Thatcher said in the Commons that the reshuffle did not signal a change in the policies which had "transformed" Britain's performance. The reshuffle, Page 9

London port sacks striking dockers

By Michael Smith and Ian Hamilton-Fazey

THE LONDON port of Tilbury yesterday intensified attempts to break the national dock strike when it sacked striking workers and warned others they would lose their jobs without compensation unless they returned to work and agreed to sign new employment contracts. In Liverpool, the Mersey Docks and Harbour Company also told its 1,000 dockers that they could be sacked - and lose their right to redundancy money of up to £35,000 - if they remained on strike. The TGWU transport union said the employment contracts offered less pay, more hours and worse conditions. Mr Ron Todd, TGWU general secretary, said that Tilbury was trying to withdraw recognition from the union. He urged dockers who had gone back to work to rejoin the strike. Tilbury's 16 shop stewards were among those made redundant at the port yesterday. Port authorities said they were no longer needed because of a port restructuring but would be given full redundancy pay. Dockers who have been offered new contracts were told they must sign them by Thursday at 5 pm. Failure to do so would mean losing their entitlement to redundancy money. The strike, now in its third week, was sparked off by the Government's decision to abolish the Docks Labour Scheme which regulated employment conditions in most UK ports.

GPT offers to cut engineers' work week

By Michael Smith, Labour Staff

GPT, the telecommunications joint venture owned by the UK electronics groups, GEC and Plessey, is offering a 37½-hour week to manual workers as part of a radical shake-up of work practices and conditions at one of its three largest plants. The proposal to cut the working week by 90 minutes comes as engineering unions step up their national campaign to reduce hours for all members. However, other controversial parts of the package - including the introduction of performance related pay for all staff - means it is by no means certain of acceptance. GPT expects the Beeston programme to be a forerunner for similar schemes in the joint venture's other factories. Through it, the company would: ● Replace seven existing grade structures with a single integrated system. ● Relate pay progression to an individual's performance or skills. ● Introduce single status con-

ditions for all employees and abolish distinctions between blue and white collar staff. ● Erode job demarcations by increasing job flexibility, and encourage greater team work. ● Launch an employee dividend plan to enable all staff to take a share in the company's profits. Mr Bill Carr, personnel director for GPT's business systems group, said he hoped that the scheme, called the Business Improvement Plan, would be approved by the 3,200-strong workforce this summer. However, Mr Dave de Lacy, works convenor, said union members were unhappy with some of the proposals, particularly on demarcation and performance-related pay. Most unions are opposed to performance-related pay on principle and very few UK companies have tried to introduce it for manual workers. There is also opposition to the GPT scheme from sections of white collar staff who now work a 36½-hour week.

Ambulance union to vote on taking action over pay

BRITAIN'S 19,000 ambulance workers are to be urged by union leaders to stage their first industrial action in seven years after employers yesterday refused to increase a rejected 6.5 per cent pay offer, writes Michael Smith. The ambulance workers will be balloted next month on whether they are prepared to ban overtime and rest-day working. A result is expected in early September with action, if approved, starting soon afterwards. Workers rejected the original 6.5 per cent offer, and at talks yesterday union leaders told the employers that they should either increase the offer or accept their call for arbitration. Some 140,000 police officers were yesterday awarded a 9.25 per cent pay rise. The increase, to take effect from September 1, covers all police officers except the Commissioner of Metropolitan Police in London.

Advertisement for 'The International' magazine. Text includes: 'You'd expect a lot of things from the world-leading specialist publication for international private investors.', 'A first rate publisher. Of course. THE FINANCIAL TIMES', 'A strong, accurate and hard-hitting international editorial team. Indeed.', 'Informed coverage on thousands of investment options. Naturally. Every month.', 'A totally international perspective. From Alaska to Zimbabwe.', 'Just one thing you wouldn't expect... It's free.', 'SO WHERE'S THE CATCH? None. Which creates just one slight problem: it can't be for everyone. In fact, we have had to limit distribution to just 50,000 worldwide. Not very many. But very special. Should you be one? One key criterion is that you already have, or are planning, international private investments. You may well take investment advice (indeed, you probably do), but you almost certainly make your own decisions. You are interested in a wide range of investment vehicles, from equities to metals, bonds to real estate. Finally, informed accurate information and comment is important to you. We deliberately haven't set fixed asset or income levels - international diversity is too great for that. We discovered that readers of The International are readers who need The International. And know they do. Do you? Find out today. Please return to Jill Kirgus, Circulation Manager, The International, Financial Times Business Information, Greycoke Place, Fetter Lane, London EC4A 1ND. Yes, I am an active international private investor and wish to receive a free subscription to The International. I recognise that you may decline or defer an application due to oversubscription. We regret that this offer is not available to UK addresses. Name: Nature of Business: Job Title: Address: Signature: (In cases of doubt as to qualification, The International reserves the right to refuse a subscription or to seek supplementary details to supplement applications.)

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Advertisement for P.S.K. Osterreichische Postsparkasse. Text includes: 'Copies of the Report and Accounts of Osterreichische Postsparkasse for the year ended 31st December 1988 are now available and may be obtained from Osterreichische Postsparkasse Georg-Coch-Platz 2 A-1018 Vienna OR Orion Royal Bank Limited 71, Queen Victoria Street London EC4V 4DE.

NOTICE OF INTEREST RATE. To the holders of Bank America Corporation Floating Rate Subordinated Capital Notes Due October 1989 CUSIP 966660 1B9 9. Payment to the provision of the Notes issued under the Indenture of Bank America Corporation dated as of June 15, 1984 as amended by the Second Supplemental Indenture dated as of September 20, 1987, the rate for the period from July 24, 1989 up to and including October 28, 1989 is 10.125%. The amount of interest payable on October 24, 1989 is US\$44.03 per Note of US\$ 10,000 nominal amount of the Notes. Manufacturers Hanover Trust Company, as Calculation Agent. July 20, 1989

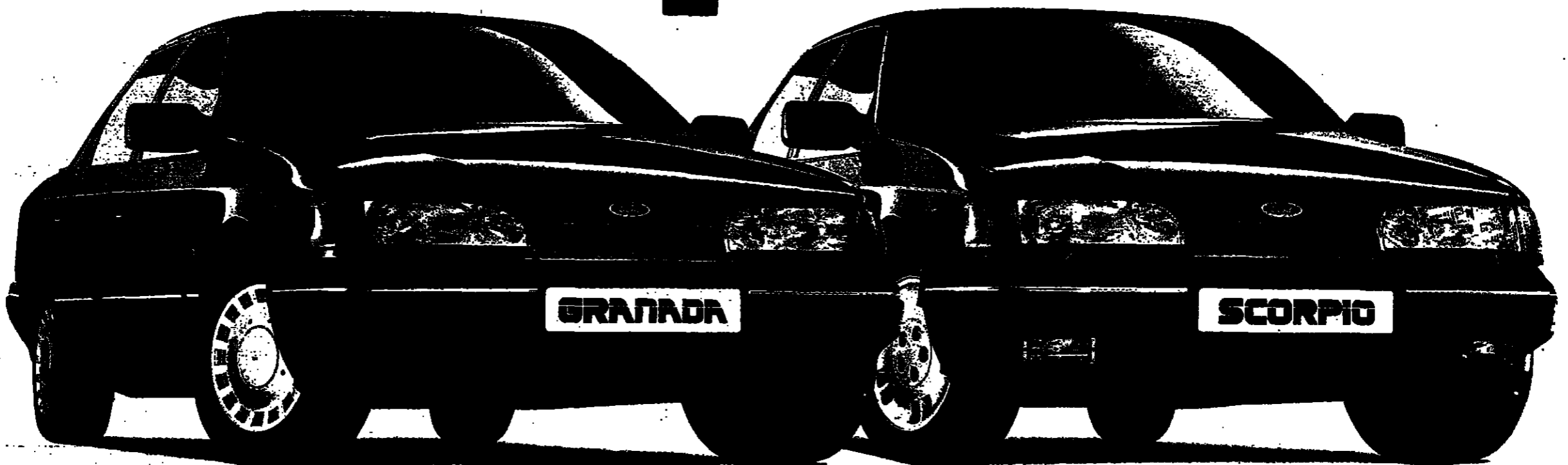
THE COMMISSIONERS OF THE STATE BANK OF VICTORIA US\$ 200,000,000 Guaranteed Floating Rate Notes due 1990. In accordance with the description of the Notes, notice is hereby given that for the interest period July 25, 1989 to January 25, 1990, the Notes will carry an interest rate of 8 1/8% per annum. The interest payable on the relevant Interest Payment Date, January 25, 1990 against coupon 17 of US\$44.03 per Note of US\$ 10,000 nominal and US\$11,700.00 per Note of US\$ 250,000 nominal. THE AGENT BANK MFBANK S.A. LUXEMBOURG. DATED July 20, 1989.

LEGAL NOTICES. TO ALL HOLDERS OF PENGO FINANCE, N.V. CLASS A AND CLASS B NON-INTEREST BEARING CONVERTIBLE SENIOR SUBORDINATED GUARANTEED DEBENTURES 1989 AND PENGO FINANCE, N.V. CLASS C CONVERTIBLE SUBORDINATED GUARANTEED DEBENTURES 1989 (COLLECTIVELY THE "DEBENTURES"). UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF TEXAS FORT WORTH DIVISION. IN RE: PENGO INDUSTRIES, INC., Debtor. CASE NO. 88-1193-MT-11 CHAPTER 11. NOTICE OF ORDER APPROVING DISCLOSURE STATEMENT AND OF TIME FOR ACCEPTING OR REJECTING PENGO INDUSTRIES, INC. PLAN OF REORGANIZATION. The Bankruptcy Court for the Northern District of Texas, Fort Worth Division, has entered an Order on July 20, 1989, approving a Disclosure Statement under Chapter 11 of the Bankruptcy Code that was filed by Pengo Industries, Inc. ("Pengo") on May 24, 1989, as modified, relating to the Pengo Plan of Reorganization ("Plan") of even date, as modified. The Plan along with the Disclosure Statement, is presently being transmitted to all creditors and interest holders for voting to accept or reject the Plan. This notice is to serve as information pertaining to the Plan voting process for holders of the Debentures. 1. DESCRIPTION OF THE PLAN: The Plan provides that holders of Debentures will be treated as creditors in Class 5, which class includes the majority of unsecured creditors. Debenture Holders are included in Class 5 on the basis of Pengo's guarantee of the Debentures. Based on the amount of their respective claims, Creditors in Class 5 will receive a pro rata share of a total of \$1,000,000 in cash and 203,204 shares of New Common Stock to be issued by the reorganized Pengo. Subordination provisions of the Debentures will not be recognized in distributions under the Plan. If the Plan is confirmed by the Bankruptcy Court, all rights of the Debenture holders insofar as the Pengo guarantee of the Debentures is concerned will be determined by the provisions of the Plan, whether a vote is cast in favor of, or against or no vote is made in respect to the Plan. The Plan requires that a Debenture holder submit the Debenture(s) to the Debenture trustee for the respective class on or before one (1) year from the Effective Date, as defined in the Plan, for any distribution to be made under the Plan. 2. OBTAINING A BALLOT AND VOTING: In order to obtain a copy of the Plan, Disclosure Statement and Ballot, a holder of a Debenture must contact: Alan, Camp, Strang, Hauer and Baker, a holder of a Debenture must contact: Alan, Camp, Strang, Hauer and Baker, Counsel for Pengo Industries, Inc. 4100 First City Center, 1700 Pacific Ave. Dallas, TX 75201. Attention: David F. Stuber; (214) 969-2800. Ballots must be returned so that consent for Pengo receives them no later than 2:00 p.m., Dallas time, on August 29, 1989. A COPY OF THE DEBENTURES FOR WHICH THE BALLOT IS CAST MUST BE ATTACHED TO THE RESPECTIVE BALLOT IN ORDER FOR THE BALLOT TO BE VALID. 3. OBJECTIONS TO CONFIRMATION: Debenture holders wishing to object to the confirmation of the Plan may do so by filing a written objection by 5:00 p.m., Dallas time, August 23, 1989 with the Clerk of the Bankruptcy Court, 501 U.S. Courthouse, 10th and Lamar Sts., Fort Worth, Texas 76102 with a copy to counsel for Pengo. 4. INFORMATION: Information may be obtained by contacting counsel for the Pengo or by contacting counsel for the indenture trustee of the Debentures as follows: Class A or B Debenture: Roger A. Forre, Esq., 600 Wilshire Boulevard, Los Angeles, CA 90017 (213) 624-2400. Class C Debenture: Edward L. Rothberg, Esq., 3500 Texas Commerce Tower, Houston, Texas 77002(713) 236-1200. Counsel for Texas Commerce Bank, N.A. BY ORDER OF THE COURT THE HONORABLE MASSIE TILLMAN UNITED STATES BANKRUPTCY JUDGE DATED July 20, 1989.

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The Ford Drive for Value.

# New models. New engines. New equipment. Old prices.



The new Granada LX.

The new Scorpio 2.0i DOHC.

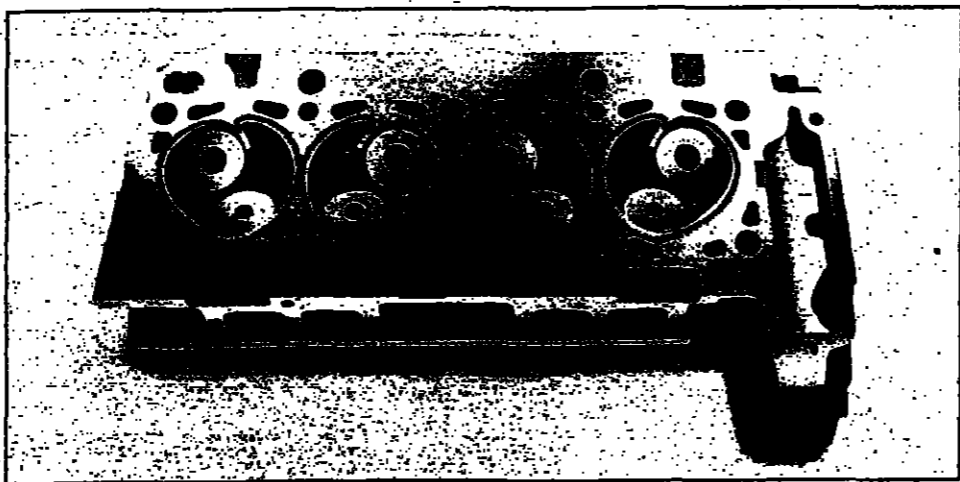
Ford have just completed a programme of improvements to the whole range of Granadas and Scorpions. And, because we're in the middle of our current Drive for Value, none of the improvements will cost you any extra on carryover models.

The first piece of news is our two new models, a new Granada LX and a new 2.0 litre Scorpio.

The LX comes with a choice of engines, the new 2.0 litre DOHC or DOHC injection, of which more later, or a 2.5 litre turbo diesel. And the new 2.0 litre Scorpio has the fuel-injected version of the new DOHC engine. A luxury car without a luxury tax bill.

#### The new 2.0 litre DOHC engines.

Here's why they have such healthy performance.



As you can see, the cylinder head of our new Double Overhead Camshaft engine has a unique design feature: heart shaped combustion chambers. Put simply, these create a swirl effect inside the cylinders which helps the incoming fuel, unleaded of course, burn faster and more cleanly. So you get more power and smoother acceleration with less waste and reduced exhaust emissions.

In other words, healthier performance.

The new DOHC engines are now available across the Scorpio and Granada range, with or without electronic fuel-injection depending on which model you choose. Racing engines apart, they are the most powerful non-turbocharged 2.0 litre engines we've made, so they're ideal for these big cars. And the good news is that, besides avoiding big car taxes, there's no increase in the maximum retail prices of cars fitted with the new engine, compared to previous models before 6th June '89.

#### Extra equipment across the range.

As most people know, all Granadas and Scorpions have always had anti-lock brakes, so they've always looked after you.

Well now they also have anti-theft alarms as standard, so they can look after themselves.

But that's just one part of our improvement programme. Every model gets new equipment: things like high-tech RDS sound systems in Scorpions, graphic equalisers in Ghia X's, Rapid De-ice windscreens in Ghias and rear head restraints in GL's. All for no extra money.

#### Big price reductions on earlier models.

Since the improved Granadas and Scorpions cost no extra, it seems only fair to reduce the maximum retail prices of earlier models built before 8th May 1989. They're big reductions too. From £550 on a 2.9 Ghia X automatic to £1400 on a Granada 2.0 L.

So, do you buy one of the new models with all the extra equipment for no extra money? Or one of the earlier cars for less money? If you need any help with your decision, call the Ford Information Service free on 0800 01 01 12.

Or, better still, see your Ford dealer.

Granada.

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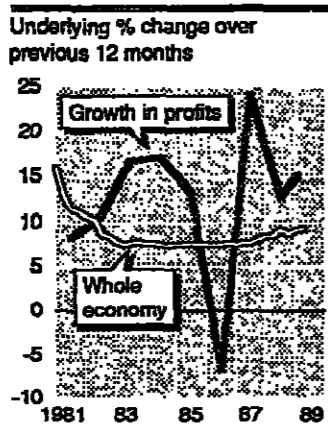


UK NEWS

Long summer heats up the pay rise stakes

Ralph Atkins finds higher wage settlements run the risk of bringing inflation to the boil

THE HEAT is on in the UK labour market. The long, hot summer has brought a succession of higher and higher wage settlements...



prices. Pay rises for top executives are also fuelling discontent by setting an unfortunate example, and they could also increase costs.

we had an 'order of worry scale' from one to 10, wage pressures would be about eighth. I will be looking much harder at wage settlements at the end of the year when we will have seen a reduction in demand.

The snag is that historically UK wages are, in economists' language, 'downwardly rigid'. In other words they rise much quicker than they fall.

Treasury is trying to engineer. The result could be another rise in interest rates to cut spending power and underpin the Government's determination to beat inflation.

Government 'prevents BR buying new stock'

By Kevin Brown, Transport Correspondent

BRITISH Rail is being prevented from buying new and much-needed rolling stock by the Government's strict rules on investment, the state-owned railway watchdog organisation claimed yesterday.

Thatcher insists 'right policies' will continue

By Ivor Owen, Parliamentary Correspondent

CHANGES IN policy will not follow in the wake of the reallocation of cabinet posts affecting nine Whitehall departments, Mrs Margaret Thatcher, the Prime Minister, assured the Commons yesterday.

on the government front bench well in advance of Prime Minister's question time, listened impassively to the exchanges.

Wage issue awakes to haunt industrialists

Charles Leadbeater traces the factors which roused demands for better pay deals

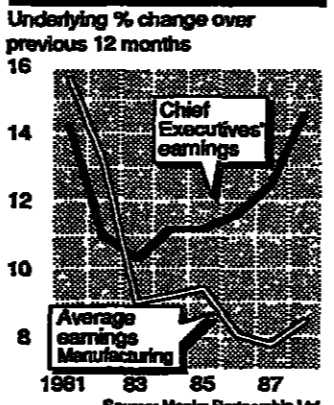
AFTER lying dormant for several years pay is back as a major industrial issue. The current wave of pay related disputes involves a wider range of occupational groups than any period of industrial unrest since 1979.

union officials and some managers that industrial muscle is starting to pay off again. However unions' ability to translate higher inflation into higher pay is only part of the explanation.

the same month last year. The labour market has become more competitive at both ends. Thus Tesco and Sainsbury's have increased youth pay scales by more than 20 per cent to help them attract young people in the face of the decline in the number of school-leavers.

was an end to the round over the summer when things cooled off. But now we are moving into all year bargaining. The disputes in the early spring will have an effect on pay bargaining in the autumn.

pressure for higher pay will not abate soon. Ford and Vauxhall settlements of close to 10 per cent could combine with yesterday's 9.25 per cent award to 140,000 police officers and a possible settlement of between 8.5 and 9 per cent at BT, the country's largest private sector employer, to average earnings to 10 per cent by the end of the year.



More air delays if French engineers resume action

By Lynton McLean

FURTHER delays for air travellers are expected from today if French air traffic engineers go ahead with the industrial action that they have threatened to take until next Monday.

to Zurich had average delays of two hours 23 minutes. Mr Jerry Noble, the group development director of British Island Airways, described the result as "almost luck of the draw."

Volvo to offer catalytic exhaust converters free from next year

By Kevin Done, Motor Industry Correspondent

VOLVO Concessionaires, the UK importer and distributor of Volvo cars, is to offer catalytic converters as an option on all models from the beginning of next year at no extra cost.

Mr Philip Payne, chief executive of Volvo Concessionaires, a wholly-owned subsidiary of Lex Service, said yesterday that the costs of using catalytic converters had been "much exaggerated."

Volkswagen/Audi, one of the companies which has taken a lead in offering models with catalyst options, currently charges a premium of £204 for a catalytic converter, called unregulated catalytic unit on some Golf and Jetta models.

Wider powers for banking ombudsman

By David Barchard

MOVES to strengthen the Banking Ombudsman Scheme, which covers 20 banks in the UK and includes all the main high street banks, were announced yesterday.

ELECTRICITY BILL

Calls for delay rejected despite Magnox move

By John Mason

THE Government yesterday rejected opposition calls for the final stages of the Electricity Bill to be delayed until the autumn to allow full consideration of the consequences of Monday's decision on Magnox nuclear reactors.

would not affect the value of the industry when it is sold off. Its expected value remained about £13bn.

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Research study planned

By David Fishlock, Science Editor

A DETAILED study of the proposal to merge Britain's five research councils into a single national research council administering about £200m of government research funds is to be submitted to government in October by the Advisory Board for the Research Councils.

chairman of ABRC, said the board was generally sympathetic to the merger proposal put forward in the Morris report.



**UK NEWS**

# 'Stunned' Howe bargains for time

By Philip Stephens, Political Editor

WHEN Sir Geoffrey Howe entered No 10 Downing Street at just after 11 am on Monday he was confident that Mrs Margaret Thatcher would confirm him in his role as Foreign Secretary.

Six hours later, and only after consulting with senior colleagues and bargaining at a second meeting with the Prime Minister, he accepted the post of Leader of the Commons and deputy Prime Minister. Though that second meeting was said to have been amicable, Sir Geoffrey was said to have been 'stunned' by the decision.

The tensions were still apparent yesterday.

While Sir Geoffrey was underlining on BBC radio the pivotal role he expected to play in the Government - assuming the mantle once worn by Lord Whitelaw - Downing Street was being distinctly less upbeat.

There was no specific place in the constitution for a deputy Prime Minister, which, it was pointed out, was essentially a courtesy title. It was also clear that Sir Geoffrey would automatically take over if Mrs Thatcher was indisposed.

Though he had not discussed the matter directly with Mrs Thatcher during the previous few weeks, Sir Geoffrey had been assured through the 'usual channels' that along with Mr Nigel Lawson, the Chancellor, he was 'safe' in the reshuffle. So when Mrs Thatcher said that she wanted him to move - either to the job of Home Secretary or to that of Leader of the House of Commons he demanded time to consider his position.

The Prime Minister is said by Whitehall insiders to have indicated to Sir Geoffrey that their frequent disagreements over the Government's approach to Europe made such a shift essential.

Those differences had come to a head at the Madrid summit last month, when Mrs



Clean sweep: Lisann Rosser, 20, at work outside No 10

Thatcher was forced to accept a Foreign Office plan to soften Britain's opposition to greater economic integration.

The implication was that, with the European Community about to embark on crucial negotiations on economic and monetary union, she wanted the Foreign Office run by someone less likely to challenge her views.

That analysis appeared to be confirmed by the little-noticed announcement that the distinctly Thatcherite Mr Francis Maude was to be transferred to the Foreign Office to act as the junior minister responsible for European policy.

Sir Geoffrey is said to have considered only briefly the possibility of resignation following Mrs Thatcher's decision. He is said by friends to be temperamentally an 'insider', and was

reluctant to join Mr Michael Heseltine on the Commons backbenches.

He was also unenthusiastic to move to the Home Office - at best a sideways move following his spells as Chancellor and Foreign Secretary, and told the Prime Minister's office by telephone later that morning. Mr Douglas Hurd, the incumbent Home Secretary was said at lunchtime that he would be remaining.

So when he returned to Downing Street on Monday afternoon - entering as in the morning through a connecting door into the Cabinet Office to avoid waiting television cameras - he accepted the job of Leader of the House, on certain conditions. Those included that he be given the title of deputy Prime Minister - discussed in the earlier telephone calls - and that he be given the chairmanship of the four cabinet committees once held by Lord Whitelaw. He also insisted that he would preside over any Star Chamber adjudications on disputes over public spending and should have a role in the formation of the manifesto.

Whether Sir Geoffrey will manage, however, to assume the central role that Lord Whitelaw held in shaping the Prime Minister's decisions - in making it clear to her what was politically possible and what was not - is yet uncertain.

Many Conservative MPs were voicing hopes yesterday that he would be able to temper Mrs Thatcher's natural radicalism and impetuosity. Sir Geoffrey also has a strong power base among backbenchers and among the many ministers in the Government whose careers have benefited from his sponsorship.

His friends at Westminster were confident yesterday that this would ensure that his voice would continue to be heard - and listened to - in Downing Street. This week, however, was hardly an auspicious beginning.

# Lamont job probably hardest in Whitehall

By Philip Stephens, Political Editor

AS Mr Norman Lamont moved into the office of Chief Secretary to the Treasury yesterday he was clearly aware that his promotion to the Cabinet brings with it probably the hardest job in Whitehall over the next few months.

In his new role he will have to preside over one of the most difficult rounds of public spending negotiations since the early 1980s.

That will mean 16-hour days from now until November - interrupted by only a brief holiday next month - and the prospect of harsh negotiations during the autumn with the ministers in charge of Whitehall's main spending departments.

The challenge of the job, he said yesterday, was that "it was at the heart of politics... about making choices about such choices would be easy."

There was always pressure for higher public spending but it was also fundamental to the Government's strategy to contain overall spending over the year that would be even more difficult. "It is going to be a very tough round," Mr Lamont said, echoing the words of his predecessor Mr John Major.

The twin pressures of the need to curb inflation - and maintain the confidence of the financial markets - and demands from the electorate for additional resources for key public services such as health and transport have rarely been so acute.

No official figures are available, but the Treasury is not discouraging suggestions that the bids it has received from individual spending ministers are more than £10bn above the just over £70bn target it has pencilled in for the financial year starting next April.

Mr Lamont's experience at the Treasury should help. For the last three years he has been Financial Secretary under Mr Nigel Lawson, and he is well versed in the Government's privatisation programme. Mr Lawson was thought to be keen that he should be promoted.

Like the other new entrants to the Cabinet, the 47-year-old minister is not by instinct or political background, a natural "tough negotiator" in Thatcherite radicalism. Those wishing him steer this year's Finance Bill through the Commons found it hard to believe that he should receive tax relief on private health insurance.

Conversely, he was said to be keener than Mr Lawson, about the measures in the last budget to help the low-paid through reductions in National Insurance Contributions.

He does, however, share enthusiastically the Government's underlying economic philosophy, with its emphasis on tight control of inflation, on deregulation and competition, and on tax cuts.

Though he is unapologetic about his early associations with Mr Edward Heath's government, Peter Walker is a firm advocate of the privatisation programme and of the push for wider share ownership.

The job of scaling down the spending bids of key departments such as health, transport, social security and the environment will also prove a severe test for any "wet" instincts he may retain.

As a Fellow of All Souls at the age of 21 who had also found time to be a temporary postmaster, a shop assistant and a teacher, he took a job with Robert Fleming and moved on to N.M. Rothschild in the City as part of a career strategy which was always intended to end in multi-finance politics.

As former Oxfordshire county councillor, he unsuccessfully nursed the Peckham constituency before his formidable academic qualifications won him

# Inexperienced Major faces a high-profile test of his mettle

By Michael Cassell and Robert Maffertier

**INQUIRIES** yesterday whether Mr John Major, the new Foreign Secretary, had ever been abroad may have been oversteating the case, but his experience in world affairs is as narrow as Sir Geoffrey Howe's is broad.

Overnight, however, he has assumed one of the highest profile jobs in the Government. The post may not carry the cachet that accompanied it during the days of Empire but, as recent events have shown, it can quickly and unexpectedly test the mettle of the owner of the most experienced pair of hands.

If Mr Major's startling appointment left him astounded, then so was the Foreign and Commonwealth Office. The FCO does not often admit to being taken by surprise but there was no attempt in King Charles Street yesterday to hide the fact that Sir Geoffrey's departure and Mr Major's arrival was anything other than a bolt from the blue.

From Mrs Thatcher's point of view, the appointment not only helps to create a fresh image for a tiring, embattled government but it puts into place a man whose inexperience will leave him, at least initially, more reliant upon her than a predecessor whose views were the source of growing irritation.

There is nothing in Mr Major's history to suggest that he is a natural Thatcherite and his words and actions mark him out more as a pragmatist than a man driven by ideological obsession. But with a critical time ahead in Europe, as moves for economic and monetary reform accelerate, he is certainly less likely to challenge the prime minister's own, decisive views.

The presence alongside him of Mr Francis Maude as junior minister with responsibility for European affairs, should help maintain the leader's line.

The Prime Minister's well-publicised aversion to any developments in the Community which involve an abdication of national sovereignty, particularly in the monetary field, could lead to early clashes between Mr Major and his European colleagues.

Sir Geoffrey had a special talent for toning down Mrs Thatcher's most controversial statements and policies on Europe. His European Community partners are eagerly waiting to see whether Mr Major, with his own, finely-tuned political antennae, can match his predecessor's diplomatic skills.



Foreign territory: John Major enters his new ministry

At Westminster, one senior Tory backbencher warned yesterday that Mr Major would risk destroying himself politically if he became too much of a pragmatist. The advice was that he must, as soon as is prudent, begin to carve out his own, distinctive political stature.

Little is known about Mr Major's views on foreign policy issues and senior officials at the FCO were confined to telling their staff that he was "a swift and voracious reader."

What is certain is that Mr Major will have a vast amount of information to absorb in August, though the only important international meetings he is expected to attend before September will be the international conference on Cambodia in Paris starting next Sunday.

At the top of the pile of briefs will be Hong Kong and Argentina. Mr Major will be intimately involved in drawing up the Government's modified plan for offering a limited number of Hong Kong British passport-holders the right of abode in the UK.

Sir Geoffrey received an unusually hostile reception during his recent visit to the colony because of his inflexibility on the subject and Mr Major faces a difficult fence-

# Tories give general welcome to new look

By Philip Rawstone

**CONSERVATIVE** MPs yesterday generally welcomed the Government's new look - but differed over the parts of the ensemble they found most attractive.

Some thought the hunched shoulders of Sir Geoffrey Howe, deputy Prime Minister and Leader of the Commons, were the most promising feature of the front bench.

"We need someone to fulfil the Whitelaw role," said Sir Peter Blaker. "I hope that he is going to have lots of influence... and makes sure the Government does not get itself again into the very unsatisfactory situation it has been in all this session."

The legislative programme had been "ridiculously heavy," Sir Peter added. "While Whitehall would have said 'Stop', I hope Geoffrey Howe will be able to do the same. It will not do if we have this sort of thing next year, we shall be coming

up to the election."

Mr Robert McCrimble (Brentford & Ongar) also looked to Sir Geoffrey with similar expectation - but others were more sceptical. "He clearly wanted to stay where he was; the office of Deputy Prime Minister does not exist. I'm not quite certain what it adds up to," said one Tory backbencher.

There were those who were just glad to see the back of Sir Geoffrey from the Foreign Office. Mr Teddy Taylor (Southend East), veteran anti-nuclear minister and secretary of the European Reform Group, expressed delight at changes which should lead to a more objective and realistic approach to European policy.

"We were greatly reassured by the removal of persons (Mrs Lynda Chalker was the other) who are unduly enthusiastic Europhiles," he said.

Mr Julian Critchley (Alder-

shot), casting a discerning eye over the scene, stated flatly: "The best thing about it is Chris Patten (new Environment Secretary)."

His response was not just because he had clashed with the previous incumbent's apparent support for a new town in Hampshire. "I have always thought that Chris Patten was the greatest hope of moderate Conservatism," he said.

Mr Critchley detected a welcome shift to the left in the Government's new cut. John Major's elevation to Foreign Secretary did not mean that he would be the next leader of the party. "He may be flying too close to the sun," he said.

Michael Heseltine's position - as an outside candidate for the leadership - would be more difficult now that Kenneth Baker had become party chairman. "Michael has been de facto chairman for some

# Banker given a chance to shine

By Michael Cassell, Political Correspondent



John Redwood: should fit in well with Ridley's team

**MR JOHN REDWOOD**, who leaves the backbenches to become a junior minister at the Department of Trade and Industry, has never been far from the leading edge of Thatcherism, even if his contribution has been largely confined to the back-room of the Tory party's policy-making machinery.

An MP for only two years, Mr Redwood's belief in popular capitalism and in returning power to the people at the expense of an overweening government has been inseparable from that of his party leader. He should fit well into Mr Nicholas Ridley's team.

Although his performance at Westminster has not lived up to expectations borne of a reputation for being one of the party's best intellects, his new post will give him a chance to shine.

A Fellow of All Souls at the age of 21 who had also found time to be a temporary postmaster, a shop assistant and a teacher, he took a job with Robert Fleming and moved on to N.M. Rothschild in the City as part of a career strategy which was always intended to end in multi-finance politics.

As former Oxfordshire county councillor, he unsuccessfully nursed the Peckham constituency before his formidable academic qualifications won him an invitation in 1983 to join Mrs Thatcher's policy unit, of which he quickly became the head. Long before he won his Wokingham seat in 1987 Mr Redwood, who is 38, was exercising more influence in Downing Street than most MPs ever achieve.

He still has one foot in the City. Having temporarily rejoined Rothschild as a director in charge of overseas privatisations he is now non-executive chairman of Norwich, the building materials and printing group. But it is politics which fascinate him most and he remains an untrusting evangelist for privatisation and the Thatcher revolution.

A member of the right-wing "No Turning Back Group" and an adviser to Aims of Industry, the right-wing pressure group, he does not belong to the "time for a rest" brigade. He has excelled in putting forward proposals on issues ranging from taxation and the NHS to education, which have later re-emerged as part of Tory policy.

Last year, he was calling for a 40 per cent top rate of income tax and the Chancellor duly obliged.

He holds no brief for faint-hearts and believes that "only more Thatcherism, or good old-fashioned, wealth-creating, enterprising Conservatism" can set the seal on what he sees as an economic revival which has impressed the world.

In spite of his apparent passions, there are those at Westminster who prefer to see him, essentially, a rather cold-hearted investment banker. The view is easier to understand on reading Redwood forecasts such as: "The 1990s will be the decade of the international equity."

Among Mr Redwood's previous publications is one entitled "Going for Broke." It could prove an apt name for his own autobiography.

# Brooke comes to Ulster at a good time

By Michael Cassell and Kieran Cooke

**MR PETER BROOKE** will be readily forgiven if he has mixed feelings about swapping a relatively cosy corner of Smith Square for Northern Ireland, one of the toughest and least rewarding jobs in British politics.

But his sense of duty to the party and his loyalty to the Prime Minister mean he will take the job with good grace. He comes to it at a good time.

There has just been a change of regime in Dublin, with Mr Gerry Collins, seen by many as a future Irish Prime Minister, appointed as Foreign Affairs Minister. Mr Brooke will thus have the chance to establish new relationships at meetings of the Anglo-Irish conference.

He also takes over at one of the most perilous periods in Northern Ireland's recent history.

The IRA has been damaged by recent arrests of key personnel and its activities have been reduced this year.

Next month, however, marks the 20th anniversary of the arrival of British troops in the province. With the IRA very much in the news, Mr Brooke is likely to have his hands full before too long.

He will want to capitalise on some of the solid achievements of Mr Tom King, the longest-serving Secretary of State in the province. While a settlement to Northern Ireland's problems remains a long way off, Mr King doggedly pursued his attempts to start talks between the various constitutional parties. Hopes of some limited breakthrough are judged to be higher than for some time.

In Belfast, however, the appointment was being seen as an indication that there is little prospect of new political initiatives in the near future. Unionists said that the Anglo-Irish agreement remained a stumbling block to political progress and that Mr Brooke would have to be more flexible than his predecessor if there was to be any real progress.

Mr Brooke, whose responsibilities as paymaster general were always going to play second fiddle to the party chairmanship, has been regarded as a sound, if unexciting member of the Treasury team. Even before his last appointment, he was widely respected and liked within the party as an old-style, Tory gentleman.

His background is entirely appropriate, having been edu-

ated at Marlborough and Oxford, where he was president of the Union, and Harvard. The son of Lord Brooke, the former Home Secretary, he tried unsuccessfully to win adoption in several constituencies before winning City of London and Westminster South.

Though his reputation as a "safe pair of hands" may have suffered following the party's recent problems, most noticeable over its handling of the European elections, Mrs Thatcher has decided that his level-headedness is well-suited to the explosive political arena of Northern Ireland.

He has gained only limited ministerial responsibility, spending four years in the Department of Education up until the 1987 election.

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# Walker survives again despite the dissent

By Philip Rawstone

**ONE OF** the most remarkable features of the government reshuffle is that Mr Peter Walker has survived - again.

One by one, Mrs Thatcher has imposed her leadership on the party.

But 10 years and 11 reshuffles since she formed her first government, Peter Walker is still there, a lone dissident among the deferential.

He was grudgingly taken into the Cabinet in the first place, as Minister of Agriculture, a far more junior role than he had enjoyed at environment and trade and industry under Heath. Four years later, he was made Secretary for Energy, and then in 1987 became Secretary for Wales.

He represents, like the Tory Reform Group he has long led, an important and once-dominant element of the party - the moderate "One Nation" Toryism.

It is very much in that tradition that he has for the last two years ruled Wales like some independent political baron - and done so successfully.

# Familiar field for David Curry

By Michael Cassell, Political Correspondent

**MR DAVID CURRY**, who emerges after just two years on the backbenches to succeed Mr Francis Maude as junior minister in the European Commission, is better known in Strasbourg than at Westminster.

That should all change, with his appointment as a parliamentary secretary at the Ministry of Agriculture. He is expected to take on the responsibilities for fisheries and animal welfare, previously held by Mr Donald Thompson, another Yorkshire MP, who was dismissed in the reshuffle.

Mr Curry is said to have found the Commons rather frustrating so far, given his 10-year stretch in the European parliament as MEP for North East Essex and his not inconspicuous influence in matters agricultural.

Bright and well-informed, he arrives with a detailed grasp of

his subject which most departmental newcomers would envy. A former Farming News magazine editor, he has a responsibility, is better known in Strasbourg than at Westminster.

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# The Cabinet and other appointments

**The Cabinet:**  
 Prime Minister: Mrs Margaret Thatcher  
 Lord President of the Council: Sir Geoffrey Howe  
 Chancellor of the Exchequer: Mr Nigel Lawson  
 Lord Chamberlain: Lord Mackay of Clashfern  
 Home Secretary: Mr Douglas Hurd  
 Foreign Secretary: Mr John Major  
 Welsh Secretary: Mr Peter Walker  
 Employment Secretary: Mr Norman Fowler  
 Defence Secretary: Mr Tom King  
 Trade and Industry Secretary: Mr Nicholas Ridley  
 Chancellor of the Duchy of Lancaster: Mr Kenneth Baker  
 Health Secretary: Mr Kenneth Clarke  
 Secretary for Education and Science: Mr John MacGregor  
 Scottish Secretary: Mr Malcolm Rifkind  
 Transport Secretary: Mr

Ocell Parkinson  
 Energy Secretary: Mr John Wakeham  
 Lord Privy Seal: Lord Belstead  
 Social Security Secretary: Mr Arthur Newton  
 Environment Secretary: Mr Christopher Patten  
 Northern Ireland Secretary: Mr Peter Brooke  
 Minister for Agriculture: Mr John Selwyn Gummer  
 Chief Secretary to the Treasury: Mr Norman Lamont  
**Other Appointments:**  
 Treasury: Paymaster General: Earl of Cathness, Financial Secretary: Mr Peter Lilley, Economic Secretary: Mr Richard Ryder.  
 Defence: Minister of State: Mr Alan Clark, Under-Secretary of State: Earl of Arran.  
 Foreign and Commonwealth Office: Ministers of State: Mr Francis Maude and Lord Ebrahim of Teza, Under-Secretary of State: Mr Tim Sainsbury, Minister for Overseas Develop-

ment: Mrs Lynda Chalker.  
 Environment: Ministers of State: Mr David Hunt and Mr David Trippier.  
 Health: Minister of State: Lord Trafford.  
 Northern Ireland Office: Minister of State: Mr John Cope, Under-Secretaries of State: Mr Peter Bottomley and Lord Stelmarsdale.  
 Home Office: Under-Secretary of State: Mr Peter Lloyd.  
 Trade and Industry: Ministers of State: Mr Douglas Hogg and Lord Trefgarne, Under-Secretary of State: Mr John Redwood.  
 Employment: Minister of State: Mr Timothy Egar, Under-Secretary of State: Lord Strathclyde.  
 Agriculture: Parliamentary Secretary: Mr David Maclean and Mr David Curry.  
 Education and Science: Under-Secretary: Mr Alan Howarth.  
 Social Security: Under-Secretaries of State: Lord Henley

and Mrs Gillian Shephard.  
 Transport: Under-Secretaries of State: Mr Robert Atkins and Mr Patrick McLoughlin.  
 Government whip: Deputy Chief Whip: Mr Tristan Garfield-Jones, Controller: Mr Alexander Goodwin.  
 The following ministers have resigned from the government: Mr John Butcher, Education and Science; Mr John Lee, Department of Employment; Mr Donald Thompson, Ministry of Agriculture; Mr Peter Viggers, Northern Ireland Office; Lord Lyall, Northern Ireland Office; Baroness Hooper, Department of Energy; Mr Ian Stewart, Northern Ireland; Lord Glenarthur, Foreign and Commonwealth Office.  
 The following ministers join the Government for the first time: Mr John Redwood, Trade and Industry; Mr David Curry, Agriculture; Mr Patrick McLoughlin, Transport; Mr Gillian Shephard, Social Security.

UK NEWS

TSB unveils plan to improve retail banking services

By David Barchard

PLANS to streamline TSB Bank's retail operations and make them more competitive were unveiled yesterday by Mr Peter Ellwood, chief executive of TSB retail banking.

Junior markets face decision on future

By Vanessa Houlder

THE FUTURE of the Stock Exchange's junior markets, which may be threatened by new EC regulations, is likely to be decided by October.

Population shows sharp change in age profile

By Alan Pike, Social Affairs Correspondent

DRAMATIC changes taking place in the age composition of Britain's population are shown in Government population estimates published yesterday.

Process industry plant rates equalised

By Ian Hamilton Fazey

PROCESS industries such as chemicals, steel, power generation and oil refining will have to pay more in rates in England and Wales, but less in Scotland, following a government decision yesterday on harmonising the way their rates - or local taxes - are calculated.

Full texts of the NatWest chairman's letters to the Governor of the Bank of England Boardman says report 'inaccurate'

THE FOLLOWING are the texts of two letters sent yesterday by Lord Boardman, chairman of National Westminster Bank, to Mr Robin Leigh-Pemberton, Governor of the Bank of England, on resignations from the board of NatWest following last week's report by Department of Trade and Industry inspectors into the Blue Arrow affair.



Lord Boardman: remains chairman until September

National Westminster Bank, 41, Lothbury, London EC2P 2BP

More quoted companies sold through buy-outs

By Charles Batchelor

MORE AND more publicly listed companies are changing hands through management buy-outs and buy-ins - in spite of the reluctance of many institutional investors to support such takeovers.

Dear Governor, I have tendered my resignation as Chairman and Director of this bank. I have done this for two reasons:

Tories expect 1m students not to repay their loans

By David Thomas, Education Correspondent

MORE than 1m graduates are expected to be deferring or defaulting each year on their obligation to repay their student loans when the proposed student loan scheme has been fully phased in.

Dear Governor, It is with great regret that the Board has accepted the resignations of Charles Green, Terry Green and John Plastow.



Leigh-Pemberton: did not require resignations

In view of the criticisms of them in the Inspectors' Report on the Blue Arrow affair and the subsequent adverse publicity which has been so damaging to them and the National Westminster Bank Group, they have agreed that their resignations are in the best interests of the Group.

Ethnic register plan for schools

ALL STATE schools will have to collect information on the ethnic origins of new pupils from September 1990, the Government announced yesterday.

Parents will be asked to provide information, on a voluntary basis, on their children's ethnic origin, religion and the language spoken in their home.

My Board has asked me to delay the date on which my resignation takes effect until the end of September when my successor, Lord Alexander, ceases to be Chairman of the Takeover Panel and so that we can arrange for a smooth transition of responsibilities.

High cost of finance is limiting investment, CBI finds

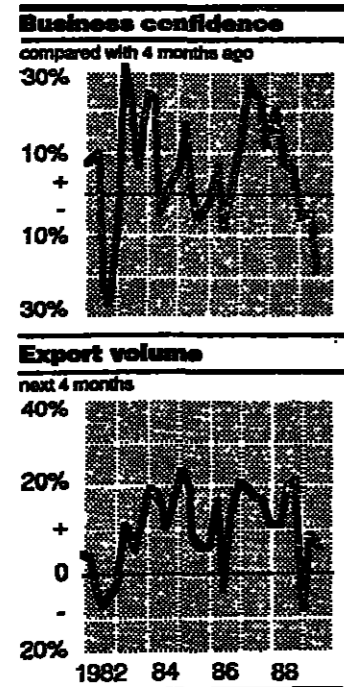
By Simon Holberton, Economics Staff

THE FIRMIEST evidence yet of Government policy slowing the economy was provided yesterday by the Confederation of British Industry's industrial trends survey for July.

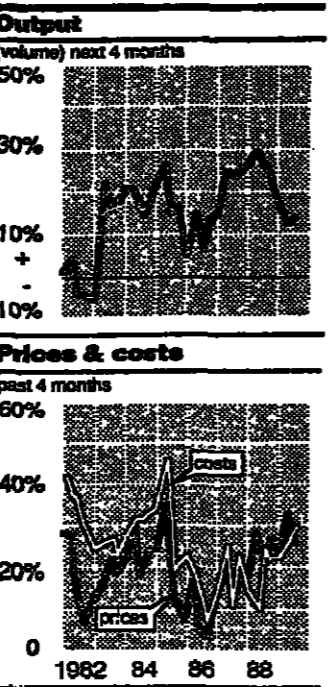
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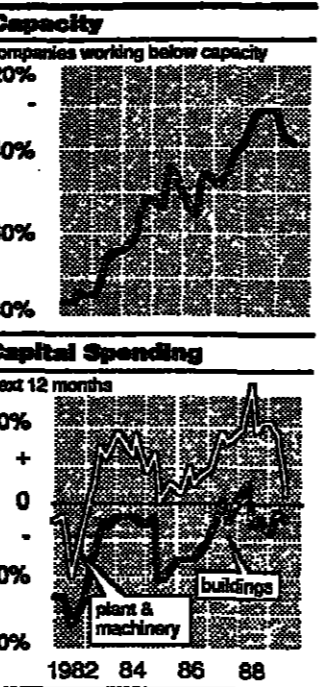
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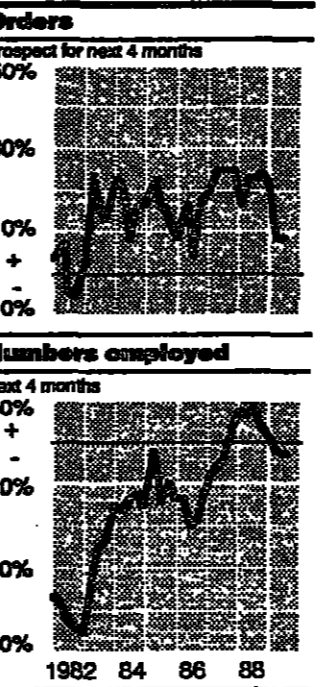
Business confidence declined in June for the third successive quarterly survey. Companies are markedly less optimistic about the general business situation than they were in April.



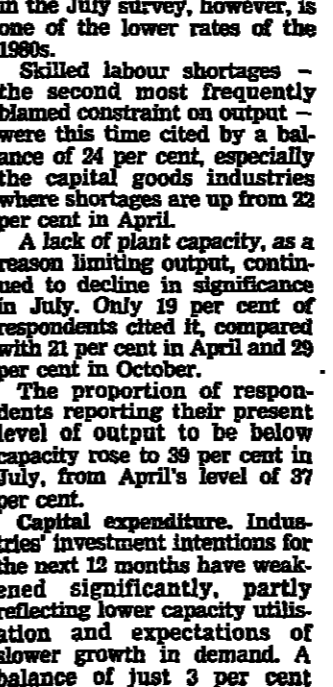
Confirming a continued slackening in demand growth, total order books have weakened since April, a balance of -5 per cent of respondents reporting orders below normal, compared with 1 per cent in April.



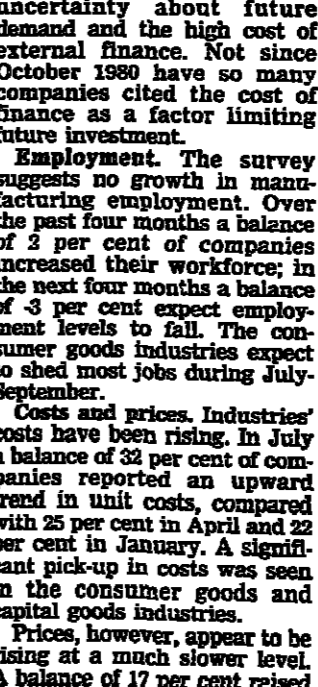
Small companies expect slow growth in orders. Growth in output also continues to moderate, but at a slower rate than demand.



Capital expenditure intentions for the next 12 months have weakened significantly, partly reflecting lower capacity utilisation and expectations of slower growth in demand.



Exports. Optimism over the outlook for export markets has improved slightly since April, with a balance of 2 per cent expecting better export prospects in the coming 12 months compared with -5 per cent previously.



Prices, however, appear to be rising at a much slower level. A balance of 17 per cent raised prices in the past four months, compared with 32 per cent in April.

The water authorities are keeping their cool

By Richard Evans

"THERE WOULD have been standpipes in virtually every town and village in the country if we had had this sort of weather 15 years ago," said a water industry spokesman defensively.

Prices & costs

Prices, however, appear to be rising at a much slower level. A balance of 17 per cent raised prices in the past four months, compared with 32 per cent in April.

Handwritten signature or note at the bottom of the page.

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# Where personality can be a fatal handicap

By Michael Dixon

I've just done a personality test," the Jobs column announced as it entered the cage set apart for smokers in the FT's new building.

For a while the other social pariahs gathered there went on puffing at their weeds, saying nothing. But one of them eventually asked what the test had revealed.

"That I'm indolent, and smug with it," I replied.

Whereupon the only other journalist present remarked: "Amazingly accurate, these personality tests." Then he tipped and left before I could get to him.

Which is a pity, because I was about to tell him that the same two attributes seem to be shared by journalists in general. Certainly, all the others so far put through the Eysenck Personality Profiler by the Psycorp consultancy in London are also more than averagely inactive, and well laden with self-esteem.

But my object in taking the test was more serious than digging up dirt on mere journalists. For there is evidence that personality can make a life-or-death difference to many people - 20 per cent of us, in the view of psychologist Hans Eysenck, Emeritus Professor of London University, and his colleague Ronald Grossarth-Maticek.

In a research paper<sup>\*</sup> recently published in the United States, they discuss several studies of links between personality factors and cancer and coronary heart disease. They report that the factors connected with each of the two killers are mostly different.

Cancer-prone people tend to be over-cooperative, apologetic, unassertive, over-patient, conflict-avoiding and compliant with external authorities, and to suppress emotions such as anxiety and anger. Those prone to coronary heart problems tend to show an exaggerated response to anger, coupled with strong feelings of hostility and aggression.

What is thought to account for the links is, not the personality factors in themselves, but their effect in making people vulnerable to stress. And one factor which the cancer-prone tend to share with those prone to coronary heart problems is difficulty in coping with strains imposed on themselves or other people - or in other words, inter-personal stress.

Examples of the links that have been found are given in

### PERSONAL MAKE-UP, STRESS AND SURVIVAL

**A - Normal men and women**

Type of personality	No. of people	SM		Causes of death over 10 yrs		
		%	%	Cancer	Heart	Other
C-prone	109	71.0	17.4	1.9	9.2	
H-prone	170	64.1	5.9	13.5	18.5	
Other 1	188	68.4	—	0.5	1.1	
Other 2	391	99.0	—	0.3	0.8	

**B - People under marked inter-personal stress:**

C-prone	489	38.4	38.4	7.0	16.2	
H-prone	309	47.9	2.3	27.8	22.0	
Other 1	165	92.7	2.4	—	4.8	
Other 2	73	97.3	—	—	2.7	

Source: Journal of Social, Political and Economic Studies.

the table above, which shows results from studies made by researchers in Heidelberg.

They began with about 850 ordinary folk, who are covered by the top half of the table. On the basis of personality tests, they were divided into four groups. The first two were those thought to be susceptible to cancer (C-prone) or to coronary heart troubles (H-prone). The remaining two sets were people who did not show the factors associated with those two diseases, but differed in other ways.

The same exercise was then repeated with a further sample of over 1,000 people who had been identified as

suffering from marked inter-personal stress, covered by the table's bottom half.

Some 10 years later the researchers checked how many of each personality type in both samples had died from which kind of cause - cancer, coronary heart disease (abbreviated to "Heart" in the table), or something else. The results make arresting reading. don't they?

Other nicotine-addicts, in particular, may be interested in a note which Professor Eysenck and Dr Grossarth-Maticek add to the figures: "It might be thought that perhaps such factors as blood pressure, cholesterol, or

amount of smoking might be wholly or in part responsible for these differences, but this is not so. We have analyzed these relationships in detail... and have found that personality is something like six times as important as these factors taken together."

My own first reaction to the findings was to wonder about the implications for careers. After all, since there are also links between people's personalities and the work they take up, there might be some jobs which seem to call for either the cancer- or coronary-prone characteristics. So I went along to Hans Eysenck's office and asked him.

He said he doubted there was a relationship as simple as that. For one thing, the stresses as well as the personality traits associated with a job often depend less on the work involved than on the specific organisational conditions in which it's done.

But he thought that, given the strength of the links, it would be wise for employers with staff working under pressure to offer them a test to see if they are in the cancer- and coronary-prone 20 per cent of the populace.

"If they are," he added, "we should be aware of their chances of staying healthy can be significantly

improved by 'coaching' them out of the kinds of behaviour that seem to make them stress-vulnerable.

"For instance, although people who bottle up their anger may never get it out of their system as freely as those who do so habitually, they can become better at it. Think of tennis: even though people have no natural talent for it, with good coaching they can usually become competent players."

It was with those words in mind that, having nobody else to hand to act as guinea pig, the Jobs column went to the Psycorp offices on the Thames Embankment. And as was said before, the Eysenck Personality Profiler showed it as little different from its fellow hacks except in a few ways, such as being less anxious.

Nevertheless the bill of health is not impeccable. One or two bits of the profile set Psycorp's chief Lenny Kristal rubbing his jaw. Examples are tendencies to be more submissive than assertive and more apologetic than aggressive, which are among the cancer-prone signs.

So Dr Kristal advised that as soon as he has got the appropriate stress test on his computer, I ought to take it. Which I will - and report on the outcome in due course.

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Reference: 3056/1

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Reference: 3056/2

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Applications enclosing full CV and 2 referees, should be sent to Mr G A Cuthbert, Personnel Office, King's College London, Strand, London, WC2R 2LS, from whom further information is available. Tel: 01-873 2288.

Closing date for receipt of applications: 27th July, 1989.



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For further information please contact:

Sir Albert Sloman  
Chairman of the International Board  
c/o United World Colleges, London House  
Mechenburgh Square, LONDON WC1N 2AB

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The ideal candidate will have translation experience, a keen eye for detail, and be able to write in clear concise American English. The ability to work carefully to tight schedules is a must.

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Please send C.V. and salary requirements to:

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In the first instance send your detailed CV to **Bob Gunning, Senior Consultant, Austin Knight Selection, 17 St. Helen's Place, London EC3A 6AS. Please quote ref: 1024/JRG/89.**

FINANCIAL TIMES  
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Please contact Judy Elmes at-

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## OPERATIONS OPPORTUNITIES EURO-SECURITIES

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### OPERATIONS MANAGER

to £30,000  
 The successful candidate will be responsible for managing the proof and control unit within the Long Term Finance Division. Managing day to day operations, implementing procedures to meet the future needs of the business, liaising with the front office and controllers and implementing new automated systems all form part of this key role. Together with sound man-management skills, applicants should have at least 2 years' experience of managing a line unit within the Euro-Securities field.

### OPERATIONS ANALYST

to £30,000  
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If you are interested in one of the above positions, or can offer progressive operations management experience within a related field, we would be interested in talking to you. Interested applicants should call Gill Pemberton at:-

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FT LAW REPORTS

Sugar contract is not repudiated

COMPAGNIE COMMERCIALE SUCRES ET DENREES v C ZARNIKOW LTD Court of Appeal (Lord Justice Kerr, Lord Justice Lloyd and Lord Justice Goff) July 18 1989

A SELLER'S obligation under an L.o.b. contract to deliver cargo for loading within the specified period is not altered by incorporation of a term that the cargo shall be delivered to the buyers at any time within the contract period, and does not thereby become a duty to deliver immediately on buyers' presentation of the vessel.

The rule 14(1) obligation was to have "the sugar ready to be delivered at any time within the contract period." Almost every word of that phrase had been the subject of argument. Its meaning was far from definite.

The arbitrators held that the sellers were in breach of a condition of the contract, and that the buyers were entitled to treat it as at an end. Their decision was reversed on appeal by Mr Justice Goff.

The intermediate term, as was now well-established (see Bremer Handel 1978 2 Lloyd's Rep 102, 112), was neither a condition nor a warranty. It was treated as one or the other according to the gravity of the consequences of the particular breach.

LORD JUSTICE KERR dissenting, said that by a contract on the ASSIC Sugar Contract 2 form for EBO L.o.b. (five on board) stowed trade 1984, the sellers agreed to deliver to one or more vessels presenting ready to load during May/June 1988.

It was a condition. It played a crucial role in the form of contract. It had the character of a time clause. The obligation arose at a definite point of time, which became fixed as the result of the parties' joint actions pursuant to the contract.

Rule 14(1) was not a time clause, except in the sense that every obligation in a contract had to be performed at some time or another.

There was no reference to the precise time by which the obligation had to be performed. The obligation was to have the cargo ready at "any" time within the contract period not, for example, at the expiry of notice of readiness.

The contract was a standard form of sugar contract used in string transactions. It incorporated the Rules of the Refined Sugar Association of London.

LORD JUSTICE LLOYD said that the issue was whether the buyers were entitled to treat the contract as at an end on June 3.

There was no reference to the precise time by which the obligation had to be performed. The obligation was to have the cargo ready at "any" time within the contract period not, for example, at the expiry of notice of readiness.

The award showed the case might have been argued on an incorrect basis. The arbitrators

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Table with 2 columns: Description, Amount payable per share (U.K. Currency). Includes entries for United Kingdom Income Tax and South African Non-Resident Shareholders' Tax.

NOTES: (1) The gross amount of the dividend for use for United Kingdom Income and South African purposes is 205,695p.

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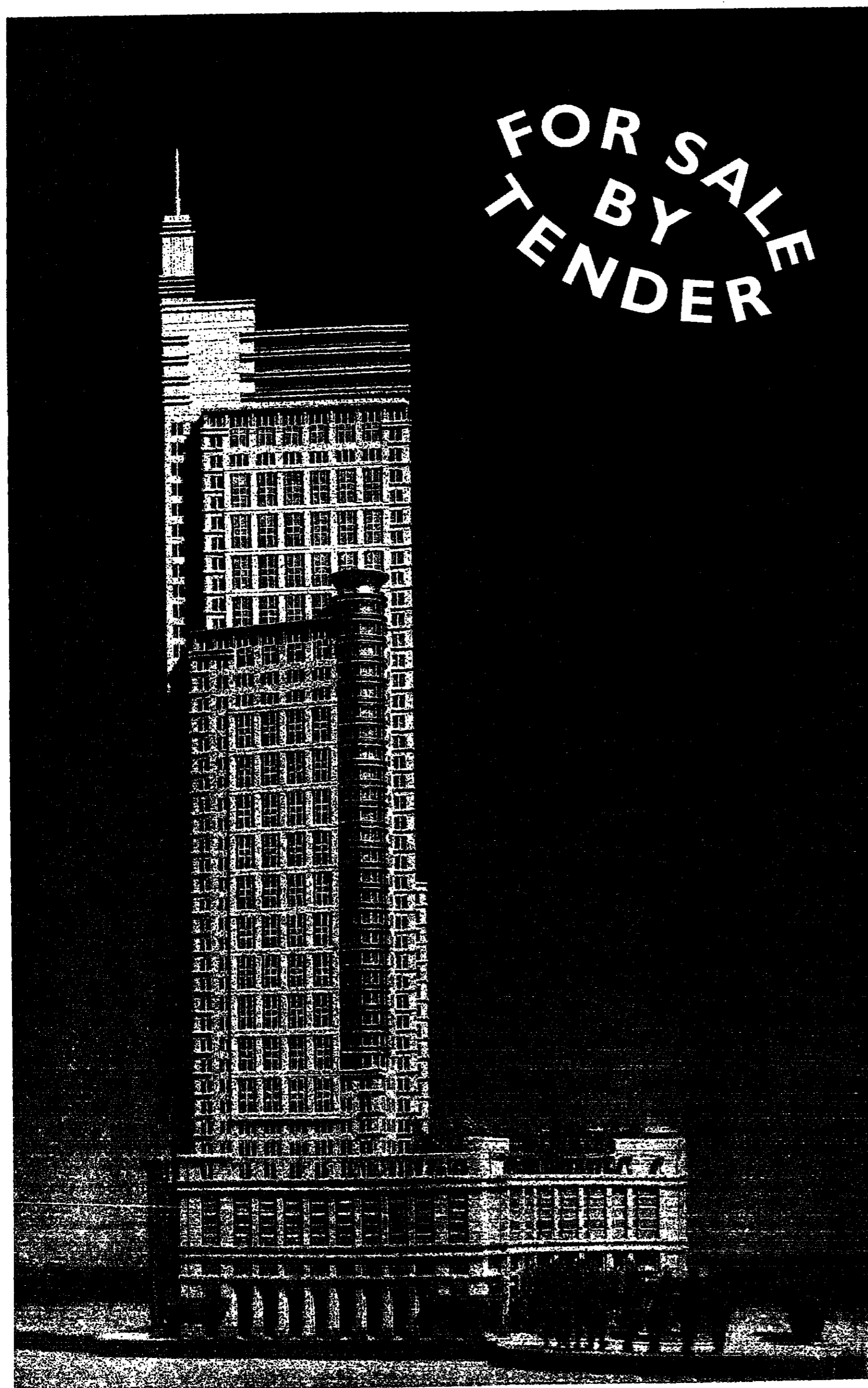
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Enquiries should be directed to Mr Robert McCuaig of Colliers International, Sydney. Telephone (612) 257 0222. Fax (612) 251 3297.

Or to Mr Chris Brown of Jones Lang Wootton, Sydney. Telephone (612) 251 5888. Fax (612) 232 8120.

Alternatively you may wish to call Bond Corporation direct on Sydney (612) 231 1311.



**Burger King**

**A head-on challenge to a deep malaise**

**A culture change is at the heart of Barry Gibbons' strategy to put the US fast food company on a recovery path, reports Roderick Oram**

A modernistic pink palace, the new international headquarters of Burger King, sits magnificently in a reclaimed mangrove swamp south of Miami a bun's throw from the Atlantic.

Upstairs in the sunny and restful cafeteria, employees lunch on a wide spread of food from salads to health food entrees and frozen yogurt. But where are the burgers, fries and shakes?



Barry Gibbons: "By the fall of this year, this organisation should be motoring again"

The dining room, open for a year, is only now sprouting its own mini-Burger King. "It's been a long time but they've finally got it together," says the lady behind the counter.

While management of the world's second largest fast food chain floundered, the Burger King empire sank, helping turn Pillsbury, its parent, into a takeover target. After a short listless fight, Pillsbury succumbed last winter to a \$5.8bn offer from Grand Metropolitan, the UK drinks and foods group.

Grand Met argued during the battle that customers much preferred Burger King's hamburgers to those at McDonald's, the apparently unsalable fast food leader with double Burger King's market share.

Trouble was, customers never knew quite what they would get when they walked into a Burger King restaurant. The chain had gained an unenviable reputation for inconsistent quality and poor management. Grand Met said it could fix those and make Burger King a large and highly profitable addition to its global food and drinks portfolio.

Some competitors and analysts doubt, though, whether Burger King can be turned round, so deep is its malaise. Failure would ruin Grand Met's chances of a big pay-off from the Pillsbury purchase, damage its finances and credibility and chalk up another failure by a British company in the US consumer sector.

Grand Met gave the considerable Burger King challenge to Barry Gibbons, a 43-year-old from Manchester who had restored to profits its Berni restaurants in the UK. He had never worked in the US until he arrived at Burger King in January.

"Do you have to be an American to know how to sell a hamburger? Effective retailing is a culture with people and service the biggest part of the brand and the hamburger itself only a very small part," he

taunts they felt in the wake of the takeover.

"All that leaders can do is create the air in the greenhouse," Gibbons says. "There's tremendous energy here when they breathe the right air." Employees and franchisees have responded rapidly in the past few months. "The system is starting to believe in itself again."

Underpinning the pep talks are major changes to the way Burger King manages itself, relates to franchisees and presents itself to the public. "By the fall of this year, this organisation should be motoring again."

Pillsbury has reconstituted Burger King as a stand alone company with Gibbons reporting to Ian Martin, its new Scottish chief executive. The personal and business relationship between the two men should cut out the Miami Vice/Minneapolis Ice friction that plagued previous managements. Gibbons is Burger King's fifth chief executive since 1980.

Gibbons completely redrew Burger King's corporate structure, halving the layers of staff between him and the consumer. "Our customer response has to be fast, fast, fast." Nearly 600 of 1,600 Burger King corporate employees - mostly in the regions - lost their jobs, in order to concentrate resources in Miami.

"We don't have a lot of surplus office space here, just lots of surplus sales," he says of the pink palace and its grounds. "There are some parts of this place I'll never be able to justify but the workstations are functional, not magnificent."

Not only did he retain some experienced senior executives, such as Ron Petty who was made president and chief operating officer after long experience at home and abroad, Gibbons also brought in new talent. The previous management had tried but the big salaries necessary to lure them were vetoed by the Pillsbury executives in Minneapolis. Gibbons' best catch was Gary Langstaff, the new head of marketing, who made his reputation promoting Hardee's, a fast-rising US hamburger chain.

Burger King certainly needs to better "brand development" through a four-man team with a senior representative from marketing, technical, operational and supply functions. Its mission is to develop new menu items the public wants and then ensure they are properly supplied to the restaurants, served to the public and marketed.

Also on the operations side, Burger King has kept Dilavon, its troubled distribution system, which Grand Met had originally planned to sell. Gibbons believes it better "not to abdicate to a third party. There are not many sustainable competitive advantages; purchasing and distribution are two of them."



Burger King aims for a more integrated approach to marketing

and badly co-ordinated supply of promotional items to restaurants.

The company has been bold in splitting its advertising, giving D'Arcy Masius Benton & Bowles the task of creating a new identity and Saatchi & Saatchi the role of translating it into day-to-day advertising and promotions.

"We want a holistic and integrated approach to marketing. Too often the industry just pushes new ideas," Gibbons says. "We want to distinguish the brand and support it over a long time with the products and merchandising."

Annual advertising expenditure is static - at about \$215m - since the money is raised mostly from franchisees on a strict formula. It is a fraction of the money McDonald's spends "but that doesn't bother me. We have a phenomenal sum which we need to spend more effectively." He plans, for example, to draw more heavily on co-promotions with suppliers such as PepsiCo.

To help win back customers, Burger King is striving to co-ordinate better "brand development" through a four-man team with a senior representative from marketing, technical, operational and supply functions. Its mission is to develop new menu items the public wants and then ensure they are properly supplied to the restaurants, served to the public and marketed.

More than a low-cost buying service is needed to win back the disenchanted among the franchisees. Gibbons believes that giving them strong products, marketing and support is the best strategy. Armed with these tools, a franchisee will be able to make a bigger return on his investment and thus be happier and more highly motivated.

"I'm working on the basis that nobody wants to run a bad restaurant. If at the end of the day someone is not motivated, or has no interest in the brand or is bloody-minded, then we'll have a starting contest and Grand Met never blinks."

Burger King will continue to take the ultimate step of buying out chronically under-performing franchisees, either itself or letting a good franchisee do so. Such a move would also increase the number of company-owned stores from around 800, some 15 per cent of the US total.

One key technique the new team will use to bring restaurants up to standard is a "mystery shopper" programme. Acting on reports from incognito inspectors in the field, the company will quickly alert restaurant managers and franchisees to problems. But again, the approach will be to encourage, not chastise. Information will also come from customers calling in on toll-free telephone numbers.

More crucially, Gibbons has to hook the franchisees if he is to turn his vision of a revitalised Burger King into reality. They were close to mutiny under the old management, particularly after Pillsbury talked of spinning off Burger King as a defence against Grand Met.

For the first three months in Miami he overhauled the organiza-

**Management abstracts**

1992: The cant dispelled. *M. van Mesdag in Industrial Marketing Digest (UK), Vol 13 No 4 88 (7 pages).*

Objects to implications in "1992" articles that there will then be a "single market": refers to almost 4,000 differences (not listing them) between the member countries that will remain; mentions and appraises three alternative marketing strategies that could be applied.

The internationalisation of importing companies. *J Reichel in European Journal of Marketing (UK), Vol 22 No 10, (10 pages)*

Based on Swedish research, discusses how foodstuff importers choose their international sources of supply, discounting social, cultural, economic, political, legal, technical and geographical factors as largely irrelevant to the buying decision; concentrates instead on five factors, including the workload involved, product price and expected changes, knowledge/experience of the region, transport feasibility, and volume. Analyses two internationalisation strategies - evolutionary, which seeks out new countries as supply sources, and incremental, in which new sources in the same geographical and cultural environment are added to existing suppliers.

Telecom pros evolve. *S. Kerr in Datamation (US), Jan 15 1989 (2 pages).*

Uses anecdotal evidence to show why telecommunications experts are evolving from the computer department and not from telecommunications operations, noting that programming skills are increasingly vital to the role. Looks at various telecommunications occupations by charting salary increases.

Sales Letters. *L. Brock in Direct Marketing (US), Nov 88 (1 page).*

Believes that the sales letter in direct mail is often merely seen as a covering letter for catalogues or brochures; contends that it is, in fact, the very heart of the mailing being the first thing to be seen; states that it gives the opportunity to highlight a product's benefits; describes an interesting test to see if the letter is up to scratch.

*(These abstracts are condensed from the advertising journals published by Adver International Publications. Licensed copies of the original articles may be obtained at a cost of \$5 each (including VAT and postage) from Adver, PO Box 41, Wembley HA9 6SL)*

**CONTRACTS & TENDERS**

**AVIS D'APPEL D'OFFRES**

**REPUBLIQUE DU ZAIRE SOCIETE NATIONALE DE TRADING**

**DEPARTEMENT DU COMMERCE "SONATRA D"**

**EXTERIEUR**

**APPEL D'OFFRES INTERNATIONAL NO DCO/DCA/ SN 096/88**

**POUR LA FOURNITURE DU MATERIEL DE VOIE**

1. OBJET

La Société Nationale de Trading - SONATRAD - met en adjudication publique la fourniture d'un lot de base de 150.000 traverses en béton armé type bibloc et le fournillement éventuelle d'un lot d'option de 120.000 traverses de même type destinées à la SOCIETE NATIONALE DES CHEMINS DE FER ZAIROIS (S.N.C.Z.).

Cette dernière a demandé à la BAD (Banque Africaine de Développement) un prêt en vue de financer une partie des travaux de renouvellement de voie inscrits au plan d'investissement 1989-1992 de la S.N.C.Z.

Les sommes accordées au titre de ce prêt seront utilisées notamment pour effectuer les paiements autorisés dans le cadre du marché pour lequel le présent appel d'offres est lancé.

2. DESCRIPTION DES FOURNITURES

Le présent appel d'offres porte sur la fourniture de matériel de base et éventuellement d'un lot d'option des biens ci-après :

Poste 1 : 150 000 Traverses de rails-40 Kp

Poste 2 : 1 500 Paires d'éclisses

Poste 3 : 1 500 Rondelles d'éclisses

Poste 4 : 4 000 Rondelles d'éclisses

Le lot est indivisible. Tout candidat est tenu de soumissionner pour l'ensemble du lot.

La SONATRAD sélectionnera l'offre la plus avantageuse de lot.

3. RETRAIT DU DOSSIER D'APPEL D'OFFRES

Le dossier complet d'appel d'offres peut être obtenu contre remise d'un chèque barré d'un montant de 100.000 Zaires ou 10.000 francs belges, à partir du 14.07.1989 aux adresses suivantes :

1. SOCIETE NATIONALE DE TRADING - "SONATRAD" BLDG C.C.I.Z. - 22e NIVEAU B.P. 15.711 - KINSHASA/7 TELEPHONE : 30.592 - 30.598 - 32.304 TELEAX : 21634 REPUBLIQUE DU ZAIRE

2. SOCIETE NATIONALE DE TRADING - "SONATRAD" AGENCE DE BRUXELLES 15, RUE DE LA LOI, BOITE 052 B-1040 BRUXELLES TELEPHONE : 02/30.37.97 TELEAX : 26444 REPUBLIQUE DU ZAIRE

3. SOCIETE NATIONALE DE TRADING - "SONATRAD" AGENCE DE LUBUMBASHI 25, AVENUE MSIBI B.P. 1573 - LUBUMBASHI TELEPHONE : 22.53.71 - 22.52.49 REPUBLIQUE DU ZAIRE

4. PARTICIPATION

La participation à la concurrence est ouverte à égalité de conditions à tout fournisseur ressortissant des pays membres de la BAD et des pays participant au F.A.D.

Avec l'intermédiaire d'un admis à concourir et un présent appel d'offres.

5. REMISE ET OUVERTURE DES OFFRES

Les offres seront remises sous double enveloppe cachetée, par envoi postal recommandé ou par porteur contre accusé de réception.

SOCIETE NATIONALE DE TRADING - "SONATRAD" BLDG C.C.I.Z. - 22e NIVEAU B.P. 15.711 - KINSHASA/7 TELEPHONE : 30.592 - 30.598 - 32.304 TELEAX : 21634 REPUBLIQUE DU ZAIRE

avant le 29 août 1989 à 10 heures locales, date et heure auxquelles il sera procédé à l'ouverture des offres en la salle de réunion du 22<sup>e</sup> niveau Building C.C.I.Z.

**AVIS D'APPEL D'OFFRES**

**REPUBLIQUE DU ZAIRE SOCIETE NATIONALE DE TRADING**

**DEPARTEMENT DU COMMERCE "SONATRAD"**

**EXTERIEUR**

**APPEL D'OFFRES INTERNATIONAL NO DCO/DCA/ SN 096/88**

**POUR LA FOURNITURE DU MATERIEL DE VOIE**

1. OBJET

La Société Nationale de Trading - SONATRAD - met en adjudication publique la fourniture d'un lot de base de 150.000 traverses en béton armé type bibloc et le fournillement éventuelle d'un lot d'option de 120.000 traverses de même type destinées à la SOCIETE NATIONALE DES CHEMINS DE FER ZAIROIS (S.N.C.Z.).

Cette dernière a demandé à la BAD (Banque Africaine de Développement) un prêt en vue de financer une partie des travaux de renouvellement de voie inscrits au plan d'investissement 1989-1992 de la S.N.C.Z.

Les sommes accordées au titre de ce prêt seront utilisées notamment pour effectuer les paiements autorisés dans le cadre du marché pour lequel le présent appel d'offres est lancé.

2. DESCRIPTION DES FOURNITURES

Le présent appel d'offres porte sur la fourniture d'équipements répartis en un lot unique : 16 micro-ordinateurs.

3. INDIVISIBILITE DU LOT

Le lot est indivisible. Tout candidat est tenu de soumissionner l'ensemble du lot.

La SONATRAD sélectionnera l'offre la plus avantageuse pour le lot.

4. RETRAIT DU DOSSIER D'APPEL D'OFFRES

Le dossier complet d'appel d'offres peut être obtenu contre remise d'un chèque barré d'un montant de 100.000 Zaires ou 10.000 francs belges, à partir du 29 août 1989 aux adresses suivantes :

1. SOCIETE NATIONALE DE TRADING - "SONATRAD" BLDG C.C.I.Z. - 22e NIVEAU B.P. 15.711 - KINSHASA/7 TELEPHONE : 30.592 - 30.598 - 32.304 TELEAX : 21634 REPUBLIQUE DU ZAIRE

2. SOCIETE NATIONALE DE TRADING - "SONATRAD" AGENCE DE BRUXELLES 15, RUE DE LA LOI, BOITE 052 B-1040 BRUXELLES TELEPHONE : 02/30.37.97 TELEAX : 26444 REPUBLIQUE DU ZAIRE

3. SOCIETE NATIONALE DE TRADING - "SONATRAD" AGENCE DE LUBUMBASHI 25, AVENUE MSIBI B.P. 1573 - LUBUMBASHI TELEPHONE : 22.53.71 - 22.52.49 REPUBLIQUE DU ZAIRE

4. PARTICIPATION

La participation à la concurrence est ouverte à égalité de conditions à tout fournisseur ressortissant des pays membres de la BAD et des pays participant au F.A.D.

Toutefois une préférence nationale sera accordée aux entreprises nationales. A ce titre une marge préférentielle de 15% sera accordée aux produits manufacturés locaux.

5. REMISE ET OUVERTURE DES OFFRES

Les offres seront remises sous double enveloppe cachetée, par envoi postal recommandé ou par porteur contre accusé de réception, à

SOCIETE NATIONALE DE TRADING - "SONATRAD" BLDG C.C.I.Z. - 22e NIVEAU B.P. 15.711 - KINSHASA/7 TELEPHONE : 30.592 - 30.598 - 32.304 TELEAX : 21634 REPUBLIQUE DU ZAIRE

avant le 29 août 1989 à 10 heures locales, date et heure auxquelles il sera procédé à l'ouverture des offres en la salle de réunion du 22<sup>e</sup> niveau Building C.C.I.Z.

**REPUBLIQUE DU ZAIRE SOCIETE NATIONALE DE TRADING**

**DEPARTEMENT DU COMMERCE "SONATRAD"**

**EXTERIEUR**

**APPEL D'OFFRES INTERNATIONAL NO DCO/DCA/T.057/88**

**POUR LA FOURNITURE DU MATERIEL DE BUREAU**

1. OBJET

La Société Nationale de Trading - SONATRAD - met en adjudication publique la fourniture du matériel de bureau destiné à l'OFFICE NATIONAL DES TRANSPORTS "ONATRA". Ce dernier a obtenu de la Banque Mondiale un crédit en vue de financer son projet de modernisation.

Les sommes accordées au titre de ce crédit seront utilisées notamment pour effectuer les paiements autorisés dans le cadre du marché pour lequel le présent appel d'offres est lancé.

2. DESCRIPTION DES FOURNITURES

Le présent appel d'offres porte sur la fourniture d'équipements répartis en un lot unique : 16 micro-ordinateurs.

3. INDIVISIBILITE DU LOT

Le lot est indivisible. Tout candidat est tenu de soumissionner l'ensemble du lot.

La SONATRAD sélectionnera l'offre la plus avantageuse pour le lot.

4. RETRAIT DU DOSSIER D'APPEL D'OFFRES

Le dossier complet d'appel d'offres peut être obtenu contre remise d'un chèque barré d'un montant de 70.000 Zaires ou 7.000 Francs belges, à partir du 20.8.89 aux adresses suivantes :

1. SOCIETE NATIONALE DE TRADING "SONATRAD" BLDG C.C.I.Z. - 22e niveau - B.P. 15.711 - KINSHASA/7 TEL : 30.592 - 30.598 - 32.304 - Teleax : 21.634 - Telefax : 30.592 (République du Zaïre)

2. SOCIETE NATIONALE DE TRADING "SONATRAD" Agence de Bruxelles - 15, rue de la Loi, Bte 052 - B-1040 Bruxelles - Tel : 230.37.97 - Télex : 26.444 - Telefax : 230.47.62 (Belgique)

3. SOCIETE NATIONALE DE TRADING "SONATRAD" Agence de Lubumbashi - 25, avenue Msibi - B.P. 1573 - Lubumbashi - Tel. : 22.53.71 - 22.52.49 (République du Zaïre)

5. PARTICIPATION

La participation à la concurrence est ouverte à égalité de conditions à tout fournisseur ressortissant des pays membres de la Banque Mondiale, de la Suisse et de Taiwan (Chine).

6. REMISE ET OUVERTURE DES OFFRES

Les offres seront remises sous double enveloppe cachetée, par envoi postal recommandé ou par porteur contre accusé de réception, à :

SOCIETE NATIONALE DE TRADING - "SONATRAD" BLDG C.C.I.Z. - 22e niveau - B.P. 15.711 - KINSHASA/7 TEL : 30.592 - 30.598 - 32.304 - Télex : 21.634 - Telefax : 30.592 (République du Zaïre), avant le 21.08.89 à 10 heures locales, date et heure auxquelles il sera procédé à l'ouverture des offres en la salle de réunion du 22e niveau Building C.C.I.Z.

Conformément au point II.17 du dossier d'appel d'offres, le soumissionnaire présentera obligatoirement son offre de la manière ci-après :

- l'offre complète (partie technique et commerciale) en 2 exemplaires dont 1 original et 1 copie ;

- 1 partie de l'offre enclavement technique et sans indication de prix en 1 seul exemplaire.

"LA SOCIETE NATIONALE DE TRADING" "SONATRAD"

**AVIS D'APPEL D'OFFRES**

**REPUBLIQUE DU ZAIRE SOCIETE NATIONALE DE TRADING**

**DEPARTEMENT DU COMMERCE "SONATRA D"**

**EXTERIEUR**

**APPEL D'OFFRES INTERNATIONAL NO DCO/ DCA/SN 097/88**

**POUR LA FOURNITURE DU MATERIEL DE VOIE**

1. OBJET

La Société Nationale de Trading - SONATRAD - met en adjudication publique la fourniture d'un lot de base de 120.000 traverses métalliques et la fourniture éventuelle d'un lot d'option de 120.000 traverses de même type destinées à la SOCIETE NATIONALE DES CHEMINS DE FER ZAIROIS (S.N.C.Z.).

Cette dernière a demandé à la BAD (Banque Africaine de Développement) un prêt en vue de financer une partie des travaux de renouvellement de voie inscrits au plan d'investissement 1989-1992 de la S.N.C.Z.

Les sommes accordées au titre de ce prêt seront utilisées notamment pour effectuer les paiements autorisés dans le cadre du marché pour lequel le présent appel d'offres est lancé.

2. DESCRIPTION DES FOURNITURES

Le présent appel d'offres porte sur la fourniture CIF d'équipements répartis en un lot de base et éventuellement d'un lot d'option des biens ci-après :

- lot de base : 120.000 traverses métalliques

- lot d'option : 120.000 traverses métalliques

Tout candidat est tenu de soumissionner d'une part, pour le lot de base et, d'autre part, pour l'ensemble des 2 lots, celui de base et celui en option.

La SONATRAD sélectionnera l'offre la plus avantageuse du lot.

3. RETRAIT DU DOSSIER D'APPEL D'OFFRES

Le dossier complet d'appel d'offres peut être obtenu contre remise d'un chèque barré d'un montant de 100.000 Zaires ou 10.000 Francs belges, à partir du 29 Juin 1989 aux adresses suivantes :

1. SOCIETE NATIONALE DE TRADING - "SONATRAD" BLDG C.C.I.Z. - 22e NIVEAU B.P. 15.711 - KINSHASA/7 TELEPHONE : 30.592 - 30.598 - 32.304 TELEAX : 21634 REPUBLIQUE DU ZAIRE

2. SOCIETE NATIONALE DE TRADING - "SONATRAD" AGENCE DE BRUXELLES 15, RUE DE LA LOI, BOITE 052 B-1040 BRUXELLES TELEPHONE : 02/30.37.97 TELEAX : 26444 REPUBLIQUE DU ZAIRE

3. SOCIETE NATIONALE DE TRADING "SONATRAD" AGENCE DE LUBUMBASHI 25, AVENUE MSIBI B.P. 1573 - LUBUMBASHI TELEPHONE : 22.53.71 - 22.52.49 REPUBLIQUE DU ZAIRE

4. PARTICIPATION

La participation à la concurrence est ouverte à égalité de conditions à tout fournisseur ressortissant des pays membres de la BAD et des pays participant au F.A.D.

5. REMISE ET OUVERTURE DES OFFRES

Les Offres seront remises sous double enveloppe cachetée, par envoi postal recommandé ou par porteur contre accusé de réception, à

SOCIETE NATIONALE DE TRADING - "SONATRAD" BLDG C.C.I.Z. - 22e NIVEAU TELEPHONE : 30.592 - 30.598 - 32.304 TELEAX : 21634 REPUBLIQUE DU ZAIRE

avant le 29 août 1989 à 10 heures locales, date et heure auxquelles il sera procédé à l'ouverture des offres en la salle de réunion du 22<sup>e</sup> niveau Building C.C.I.Z.

**LEGAL NOTICES**

**DELLEN CONSTRUCTION LIMITED**

Registered number: 208970  
Trading name: Deller Construction  
Nature of business: Builders  
Trade Classification:  
Date of appointment of administrative receiver: 10th July 1989  
Name of person appointing the administrative receiver: Royal Bank of Scotland plc  
BRIAN KELLE and COLIN GEORGE WISEMAN, Joint Administrative Receivers (office hours 9a/m to 5p/m) 2283 & 9172 on

Deller, White & Co  
1 Mandrake Place  
Canter Lane  
London  
E20V 8AJ

**CORPORATE SECURITY**

The Financial Times proposes to publish this survey on:

**OCTOBER 3RD 1989**

For a full editorial synopsis and advertising details, please contact:

**JONATHAN WALLIS**  
on 01-473 2565

or write to him at:

- Number One  
Southway Bridge  
London  
SE1 9HL

**FINANCIAL TIMES**

PUBLISHED WEEKLY

### TECHNOLOGY

About 50 metres below the Baltic sea bed lies what the Swedish operators describe as the world's first purpose-built, permanent, underground disposal site for nuclear waste.

The Swedish Final Repository is just off the coast at Forsmark, the site of three nuclear power stations and the place where fallout from the Chernobyl disaster was first identified outside the Soviet Union.

The repository has been operating for more than a year and has attracted world-wide attention. It is run by the Swedish Nuclear Fuel and Waste Management Company (SKB), which is owned by the country's four nuclear power producing utilities. The reactor owners are responsible for the total costs of guaranteeing both reactor safety and the efficient management of the radioactive waste.

The cost so far of the first phase of the project is SKr 750m (£70m), according to Sten Bjurstrom, SKB's president. Total building and operating costs are estimated to be about SKr 1.4bn, two thirds of which are building costs. (This is equivalent to SKr 0.001/kWh out of a consumer price for electricity of between SKr 0.3 and 0.4/kWh at 1987 prices.)

Sweden takes complete responsibility for the management and disposal, within its borders and without reprocessing, of all radioactive wastes produced by its nuclear power programme. Following a referendum in which the majority voted against nuclear power, the Government decided to close all 12 plants by 2010. This means SKB can estimate reasonably accurately the amount of waste to be disposed of from the reactors' operation and decommissioning.

In the first phase, the repository

## Watery grave for Sweden's nuclear waste

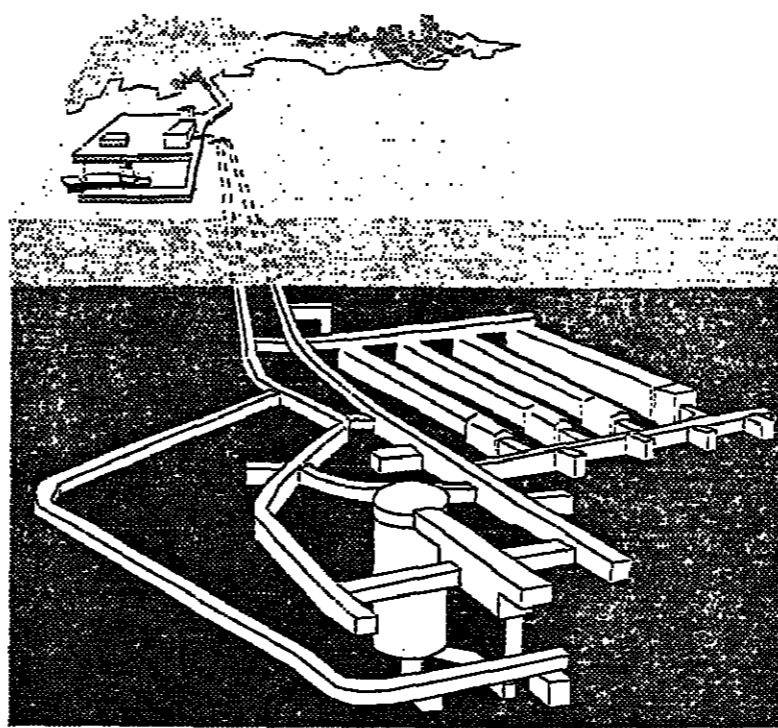
### Geoff Tansey describes a permanent site for radioactive debris

will take 60,000 cu m of waste. In the second phase, one or two extra vaults and a silo will be built to deal with a further 30,000 cu m.

The site takes waste that will remain significantly radioactive for a few hundred years, but which does not require cooling. High-level waste, for example spent nuclear fuel, is long-lived, highly radioactive and very hot. This is sent to a central interim storage facility south of Stockholm, where it will be held until a permanent facility is built.

Sweden's nuclear power stations are all close to the sea and wastes are taken to the disposal sites on the SKB's ship, the M/S Signy. Designed in Sweden but built in France, this is a twin-screw roll-on/roll-off ship with a double hull and bottom and several watertight bulkheads. It has two independent propulsion systems and three electricity generators, each capable of supplying the ship's needs, plus special shielding around the cargo hold.

Before the voyage from reactor to repository, the waste is packaged for disposal. Low-level waste, such as



Forsmark phase one, designed to take 60,000 cu m of nuclear waste

clothing, is compacted and packed into steel drums. These are transported in ordinary steel containers by ship or road to Forsmark.

Some low-level waste is incinerated at the Studsvik research station, which also collects radioactive debris from industrial and medical sources. The ash is mixed in concrete and locked in steel drums.

Intermediate waste, largely filter and ion exchange resins used to purify water from the reactor, is mixed with concrete or asphalt and bound in concrete or steel drums. These are loaded into a special steel container, with an extension skirt on either side. This is carried by ship to Forsmark and then lifted on to a lorry, which takes the container underground.

The site at Forsmark looks like something from the set of a James Bond film. Twin tunnels, about 1 km long, run from the surface down to four 160-metre-long vaults and a 50-metre-high concrete silo.

The roof of the underground structures is at least 50 m below the sea bed. One vault takes very low level

with concrete during deposition or covered with concrete planks.

The more radioactive waste, mainly filter resins, goes to the 50-metre-high concrete silo, contained in a 30-metre-diameter, cylindrical cavern in the rock. The silo is divided into 96 vertical pits.

After a layer of waste packages has been placed in the pit, a layer of concrete is poured round it to fill up the spaces. This process will be repeated until the pit is full.

The facility is designed to prevent radioactive materials escaping into the environment in harmful quantities after the site is sealed, the pumps switched off and the cavern flooded.

The rock itself is an important natural barrier. The silo, which contains about 90 per cent of the radioactivity at the repository, has the greatest number of engineered barriers, including a one-metre thick concrete wall. The space between the concrete silo and the cavern has been filled with bentonite clay, which swells when wet. The base was back filled and the top will be covered to form an impermeable barrier once the repository is flooded.

Finally, the local sea and rock characteristics mean that there is a low rate of groundwater flow. Brackish water above the repository will discourage future generations from drilling wells in the area, even after the sea bed is exposed in 1,000 years or so as the land rises.

Speaking of the repository, Sten Bjurstrom says: "It has been described as the Rolls-Royce of waste disposal, but compared with the price of electricity it's just nothing in operation that is looked on as being safe by the authorities and the people, I think it is not expensive."

## Catalytic approach to burning natural gas

**By Michael Swiss**

AS A FUEL, natural gas offers several benefits, among them freedom from sulphur dioxide in the combustion products and a relatively low level of carbon dioxide emission.

However, the problem of NOx (nitrogen oxides) remains in the flue gases. These emissions can be reduced by lowering the combustion temperature, as achieved in catalytic burners developed by Gaz de France (GDF), the French gas supply enterprise.

Catalytic devices for the combustion of other hydrocarbon gases — propane, butane or their commercial mixture — have been marketed for several years, but methane presented considerable problems.

Natural gas has methane as its almost exclusive constituent. GDF has developed catalytic burners for methane in the form of tubes which radiate heat without a flame. The catalyst, which is not expensive because only a small amount of platinum is needed, is applied as a coat on a ceramic surface. To make all the heat available, the combustor includes a variety of recovery devices.

One of the devices developed by GDF's research centre involves the use of Carborundum cones, which allow rapid gas flow rates and hence high combustion rates and high heat output. If located on a hot-house ceiling, the cones direct the hot gases downwards. The heat-retaining properties of carbon dioxide also prove useful to the growers.

In a device for paint drying, the flow of hot air is directed horizontally at the newly painted articles.

"If the main requirement is for radiant heat, large non-focusing reflectors can be installed on a ceiling.

The versatility of the devices allows them to be used in equipment for the production of VMC-gas (VMC stands for mechanically controlled ventilation.) Furnaces which operate in this manner, picking up extra moisture or reducing their vapour content according to seasonal requirements, can be incorporated in central heating systems.

**Bryan Lindley** has landed the kind of job that makes schoolboys drool. He has been asked to invent a new generation of robots, more intelligent and adventurous than today's robotic factory workers, one that could hold its own where no human would want to.

His target is the kind of robot bright enough to co-operate with other robots, or to work harmoniously with people because, as he says, "we're actually pretty clever at doing certain things." One idea is a robot that will mimic a surgeon's dexterity on a much smaller scale, enabling him or her to perform operations too fine for fingers.

Lindley is chief executive of the National Advanced Robotics Research Centre, set up by the Government and industry on the campus of Salford University, near Manchester. It expects to spend up to £50m over the next five years, of

## A quest for the bright, co-operative robot

which up to £20m will come from the Government.

The idea of the centre was conceived by the Department of Trade and Industry in the mid-1980s, after the 1982 Economic Summit had identified advanced robotics as an important technology for the future. Ten UK organisations competed to host the research centre, which was promised substantial government support for its first five years.

The successful bidder was a subsidiary of the university called Salford University Business Services. It proposed a limited company owned by a group of industrial shareholders to manage the centre, with the aim of making it commercially viable before the government assistance ran out.

Advanced Robotics Research Limited (ARRL), which owns

the centre, was formed a year ago. It has 11 industrial shareholders and the freedom to place contracts outside.

Research started early this year and part of the scheme is that each shareholding company shall second a researcher to the centre, transferring both talent and corporate technology. The nominal value placed on this initial technology transfer is £70,000 apiece.

It is a management experiment, a new way of tackling the perennial British problem of technology transfer, says Professor John Ashworth, Salford's vice chancellor. "We sat round and said, if it's true that we're good at research but not good at development, it must be a statement about managerial competence. So it needed a managerial solution."

Bryan Lindley, 56, is a mechanical engineer with experience that includes designing an experiment in plasma physics in the 1960s, running a research association in the 1970s and directing R&D for two engineering groups, Dunlop and BICC, in the 1980s.

At Dunlop, he was involved with advanced robotics through an £18m R&D investment in a process for making tyres "as a precision engineering product," to a specific size, weight and distribution of the reinforcement. Dunlop's new owners (BTR) sold the process to Goodyear.

Lindley, hired in January, has spent part of this year in Japan studying robotics. He found one with eyes and fingers that could read music and play the organ "in a fairly soulless way." Another could climb, spider-like, up the wall of a skyscraper.

He says that the Japanese are obsessed with putting anthropomorphic features, such as arms and legs, on their robots: as indeed are some of the more highly publicised western "roboters".

He is convinced that there are usually simpler ways of providing such functions as locomotion. He also thinks that there is little market potential for some popular concepts, such as robotic butlers and bed-makers.

The goal of the centre, laid down in its business plan, is to develop a family of engineering modules of advanced performance, that the shareholding companies will be able to use, Meccano-like, to assemble their own robotic systems.

"The whole thing is industry driven," Lindley stresses.

His shareholders include British Nuclear Fuels which needs robots that will work in a highly radioactive environment. VSEL, which wants robots to help build nuclear submarines, and Taylor Hitec, which has only 200 people but is the leading British maker of robots.

The idea is that the modules will be available quickly so that shareholders can incorporate them in their designs, giving for instance a higher level of intelligence or an extra degree of freedom, such as mobility for a pick-and-place robot. It has identified 10 of these modules for demonstration over the next four years.

To add impetus to the development of the modules, the centre will also design and build several demonstrator robots of its own. From a series of feasibility studies of the potential of various market sectors for advanced robots, commissioned by the DTI in the mid-1980s, it has identified three robotic systems which it believes will find a market.

One is an intelligent robot that could work in a hostile environment, for example amid high radioactivity. Another is a friendly robot that will work alongside people or other robots, for instance to weld the hull of a submarine. The third is an advanced mobile platform for robotic manipulators.

The point of the robotics centre, says Ashworth, is not whether it does good R&D, but how much of its R&D gets picked up by British industry, and how quickly. "It's a managerial experiment and we need a lot more of them."

David Fishlock

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1989	
Jun. 30-Aug. 05	7th International Congress of Immunology in conjunction with Technical Exhibition
Aug. 25-Sep. 03	International Audio and Video Fair Berlin 1989 will MediaForum Berlin 1989
Aug. 30-Sep. 01	MediaForum Berlin 1989
Sep. 17-Sep. 22	14th Congress of the European Academy of Allergy and Clinical Immunology 1989
Sep. 27-Sep. 30	27th Overseas Import Fair "Partners for Progress" Berlin (Test Sales/Public Section until Oct. 01)
Oct. 03-Oct. 06	14th German Congress for Perinatal Medicine with specialist exhibition
Oct. 11-Oct. 13	SURTEC Berlin 1989 International Congress for Surface Technology with accompanying exhibition
Oct. 11-Oct. 14	büro-data Exhibition of the Office Industry Berlin '89
Oct. 11-Oct. 15	bautec berlin '89 Exhibition and Congress
Oct. 16-Oct. 18	43rd German Conference on Business Studies
Nov. 06-Nov. 12	BIGTECH Berlin '89 Forum for Advanced Technology
Nov. 22-Nov. 25	53rd Annual Meeting of the German Society for Accident Therapy
Nov. 25-Nov. 29	ANTIQUA '89 Berlin 18th Sales Exhibition for Arts and Antiques
Nov. 28-Nov. 30	6th International Recycling Congress 1989
1990	
Jan. 26-Feb. 04	International Green Week Berlin 1990 Exhibition for the Food Industry, Agriculture and Horticulture
Jan. 29-Feb. 01	XVth International Film Competition at the Green Week Berlin
Mar. 03-Mar. 06	ITB Berlin 1990 International Tourism Exchange
Apr. 01-Apr. 29	20th FBK Free Berlin Art Exhibition 1990
May 05-May 06	New Businesses Meeting Berlin 1990 Seminars and Exhibition
May 08-May 10	ShowTech Berlin '90 International Trade Fair and Congress Entertainment Technology, Stage Engineering, Equipment, Organisation
May 24-May 27	90. Deutscher Katholikentag Berlin 1990 e.V.
Jun. 05-Jun. 09	Medical Congress Berlin 1990 in conjunction with Pharmaceutical and Medico-Technical Exhibition
Aug. 24-Aug. 28	InduTech '90 Berlin Exhibition for the Investment Goods Market
Aug. 25-Aug. 31	VIIIth International Congress of Virology and International Symposium of Microbiology
Aug. 29-Sep. 01	28th Overseas Import Fair "Partners for Progress" Berlin (Test Sales/Public Section until Sep. 02)

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ARTS

TELEVISION

All a question of taste

In November 1989 the following paragraph appeared in this column: "The programme I have been awaiting most anxiously for four weeks simply has not appeared. It seems that Boom Boom Out Go The Lights must have been a one-off which is most regrettable since it featured a whole collection of startling young night club performers who stand in relation to The Comedians as Hot Gossip to The Ticker. Quite the opposite of the usual 'All John, Gotta New Motor' was hilarious. The quicker the whole crowd is brought back, the better."



Sean O'Kane and Annabel Croft in "Interceptor"

The other members of the crowd were Rick Mayall, Adam Edmondson, Nigel Pinner and Keith Allen. (So much, incidentally, for the persistent assertion that "The critics always get it wrong, don't forget they sneered at Picasso and Mozart.") Letting the point-scoring never bother to quote the critics who got it right... which is why we have to do it for ourselves.)

ing hole where the motive of one of the two murderers should have been, but the plot was quite horrible enough without it. What dark and twisted strand in human nature is it that makes murder into wholesome and acceptable entertainment and sex into something filthy and unacceptable? If we must have soap opera, then BBC's Sunday evening effort *Cherish* is the best sort to have: full of chinless wonders, eccentrics, sharks and slysters. The black sheep belated earl see off the noovo gravel pit types? My prediction is heartache on both sides in the medium term, with a points win for the aristos at the end.

Speaking of class, could it be that the reason the British middle class intelligentsia (especially that liberal, leftist section involved in publishing, education and the arts) loathes television is because the medium reveals what the mass of the people is really like? Through the 19th century and during the first half of the 20th, it was possible, and very fashionable, for left wing intellectuals to idealise the working man and entertain a "noble savage" theory of the working class. What television reveals so vividly and bleakly is that the tastes of the mass audience - unsurprisingly when you think about the Latin-root of the word - are deeply vulgar.

Television shows how depressingly easy it is to get an entire studio audience screaming and punching the air at the sight of a barbecue set being given away as a prize. Television proves over and over again that what The People really like is Esther Rantzen delivering a little homily about the evils of child abuse and then giggling coyly as she holds up a carrot that looks like a penis. In all probability people have not changed. All that has changed is the ability of the chattering classes to see what the millions really like as distinct from what a misty eyed sentimentality once allowed them to imagine they liked.

The essential requirement of any game is that it be played with dedication; once you "play" at playing you are patronising the proceedings, like an adult grandly condescending to join in cowboys and Indians. Perhaps this is the new ITV game show *Interceptor* is so uninteresting. Made by Chatsworth, who produces *Treasure Hunt* under

ARTS GUIDE

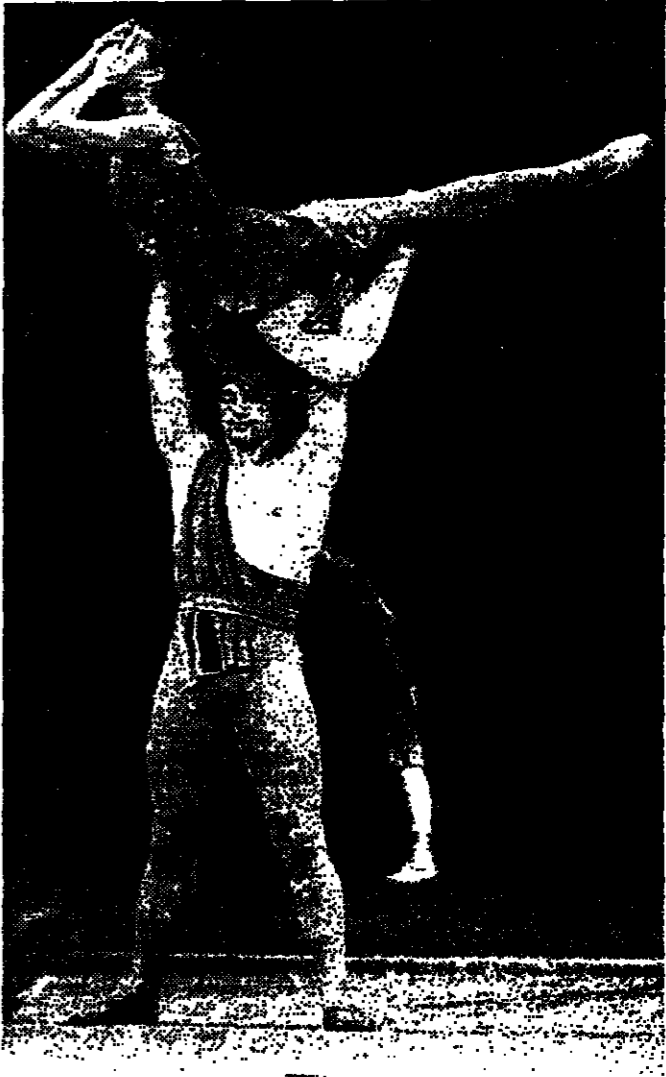
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Spartacus

COLISEUM

Twenty-one years after it was first staged, Yuri Grigorovich's *Spartacus* still holds its audience in the firmest grip. On Monday night, when the Bolshoy brought it into this season's repertory, the applause after the first two acts would have satisfied any lesser company as the closing plaudits for a gala; the final cheers were ringing into St. Martin's Lane long after curtain fall. That this was so is tribute to Grigorovich as creator of a massively effective spectacle, and as director of a troupe which holds nothing back in performance but seems utterly the servant of its choreography.

It is a brave portrait of national unification through such diverse characters as Albrecht, Ivan the Terrible, Boris in *The Golden Age*, Basilio, or the Sleeping Beauty's prince. What can be seen to link these interpretations is an absence of mannerism, a selfless dignity in face of the role, and that humility which touches the work of the greatest performers. There are constants to all his readings which, on Monday, we admired in his *Spartacus*: blazingly legible features, dominated by Byzantine eyes; nobility of gesture, so that the least movement is significant; unerringly expressive identification with the character; a technique of tireless and unforced power. To these add the gentleness that made the intimate scenes with Phrygia so moving, and - like Mikhail Lavrovsky - the skill to show *Spartacus* moments of self-doubt in the third act with heart-tearing clarity.



Clement Crisp Nadezhda Pavlova and Irek Mukhamedov

Cult figure among the young at Avignon

Valère Novarina, unknown in Britain, has become a cult figure here in Avignon among the young. Several of his plays are being presented at this year's Festival. He has the impatience with conventional modes, the creative versatility, the mixed origins that somehow seem typical of a modern man of the theatre in France. Novarina is a Savoyard, whose parents are Swiss and Italian. He is the author of several collections of plays and monologues; also a painter and designer, an actor and director. One of his plays performed this year was both directed and designed by the author.

Novarina compensates an audience, who may lose concentration without a coherent narrative, with richness and violent language. His work is full of word-play, dialect, low-life speech, nonsense, lyricism and passages designed to be spoken at breakneck speed, making it doubly difficult to translate. But if Novarina is an absurdist, he is an absurdist with a social conscience. I am told that the play I caught at this year's Festival, his *L'Atelier Volant*, which basically is a farce about industrial relations and dates from 1970, represents a style that Novarina has now largely outgrown; but it seemed to me both radical and original enough to stand out from other plays put on here from living playwrights who write in French.

of toy bricks. Some of these objects turn out to be solid blocks which may be used to give extra height to an actor when he has a long speech to declaim; others collapse when passed to and fro in simulation of the expensive ornaments on which the workers spend their wages. Half-way through the piece, these white boxes are neatly piled on top of each other to make an enormous wall. It is a concept magnificent in its simplicity, providing the perfect neutral background for constant streams of non-sequiturs on the nature of profit, linked between capital and labour in a modern economy that pour from the mouths of this talented troupe under their highly-creative director. In Novarina, we clearly have a major talent.



Scene from Valère Novarina's 'L'Atelier Volant'

SALEROOM

Record season announced

Sotheby's and Christie's yesterday announced quite remarkable record sales figures for the 1988-89 season, which draws to a close this month. Sotheby's boosted its turnover by 67 per cent to £1,356m, while Christie's was 63 per cent higher at £1,041m. Record price followed record price, record auction total followed record auction total. Perhaps the best news for the collector is that the demand was the fact that Sotheby's sold 256 works for over \$1m (as against 114 last season) while Christie's achieved seven figure lots on 147 occasions as against 93 last year.

Obituary: Martti Talvela

The Finnish bass Martti Talvela, who died on Saturday at the age of 64, was one of the most important Scandinavian singers to emerge this century. After his Stockholm debut, in 1961, he went to Bayreuth, and thence to all the leading international opera houses, to take the Wagner and Mussorgsky base roles for which his giant's physique, gaunt, imposing stage presence, and darkly powerful, wide-ranging voice so aptly fitted him. He was also a Verdi and Mozart singer of renown, and a regular song-recitalist. His Covent Garden performances of *The Ring* and of *Dostoyev* (in *Khoanashchina*)

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Christopher Dunkley  
How many other families have found it necessary to talk loudly between programmes when watching Channel 4 (and occasionally BBC2, especially before M.A.S.H.) in order to avoid having every twist in the plot of a mystery, every surprise in a movie, given away by the announcer? We have become so fed up with the mixture of portentiousness, clever-dickery and ponderous jocularity adopted by the Channel 4 announcer, unless we are determined to watch a particular programme, we now switch channels to avoid it.

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Wednesday July 26 1989

# Tight restraint on spending

**CONTROLLING public expenditure is immensely difficult, as well as important. The private sector can be regulated by the invisible hand; for the public sector it has to be the Treasury's visible fist. What is remarkable is how successful the Treasury has been in recent years.**

From decisions announced just two weeks ago one can expect more of the same. In the coming public expenditure round, the attempt will be made to keep within the plans for 1990-91 announced last autumn. Mr John Major has left his successor as Chief Secretary to the Treasury, Mr Norman Lamont, no easy task. At the time of last year's Autumn Statement, the increase in the Government's favoured indicator of inflation (the deflator for gross domestic product) for 1990-91 over 1989-90 was forecast at 3% per cent. In the Budget, the forecast was up to 4 per cent, but it now seems likely to be 2 1/2 per cent or even more. "Real" public expenditure (excluding privatisation receipts and debt interest payments) would then rise by no more than 1 1/2 per cent, as against the 3.6 per cent shown last autumn.

It appears, however, that the annual inflation rate in general government final consumption runs at almost 1 1/2 percentage points more than in the economy as a whole. This being so, the volume of public expenditure is set to remain static between 1989/90 and 1990/91.

## Little change

This would represent little change from the recent past. Under the present Government, public expenditure peaked as a share of GDP in 1982-83 at 46% per cent. Remarkably, the ratio fell to 39% per cent by 1988-89 and is expected to go on falling. It is now 9 percentage points lower than at the peak time reached in 1979-80.

Over the six years, 1982-83 to 1988-89, public spending in real terms, even on the Government's calculations, rose by a mere 5 per cent. Once a more plausible deflator is used, the claimed real increase disappears.

Should this remarkable stringency be continued? Before leaving the Treasury, Mr Major made a speech arguing that a budget surplus - and so stringent control of public expenditure - was necessary to control inflation. More fundamentally, he argued that

# Arms sales to Iran and Iraq

ONE YEAR ago this week, the guns began to fall silent along the Iran-Iraq frontier after nearly eight years of war. The United Nations Security Council congratulated itself on having persuaded Iran belatedly to accept a ceasefire and the great powers set about trying to bring the two belligerents together for talks.

After several fruitless rounds of negotiation, Iran and Iraq are no closer to peace. They have not even signed a formal truce agreement. The UN has been unable to agree on the most minimal confidence-building measures such as an exchange of prisoners-of-war.

Outside powers, preoccupied with commercial opportunities in Iran, Iraq or both, have all but forgotten about the UN mediation effort. The UN has been unable to agree on the most minimal confidence-building measures such as an exchange of prisoners-of-war.

Now, as a relative newcomer, British Aerospace wants UK Government approval for the possible sale of a sizeable number of Hawk trainers to Baghdad. Such a move would require, to say the least, a liberal interpretation of existing British guidelines on the export of military equipment to the two belligerents. At a time like this, it is a decision that would send all the wrong signals.

## Top priority

The issue of arms sales to the Gulf combatants is almost bound to loom large in western and eastern chancelleries in coming months. Understandably after such a destructive war, both Tehran and Baghdad are treating military re-equipment as a top priority. The Iraqis are seeking to boost their own arms industry by luring foreign companies into military joint ventures. The Iraqis have already made clear that they expect defence sales to form an important element of new relationships they strike up with foreign powers.

The potential has, of course, not escaped the world's arms manufacturers. The Soviet Union, having signed a wide-ranging co-operation agreement with Iran last month, is positioning itself to be a major supplier to both sides. France was deeply involved in the Iraqi market during the war and probably expects to become even more so.

# Barry Riley on the significance of the resignations at NatWest

The Old Lady was looking for a "proper response". Yesterday, the Bank of England may even have got more than it bargained for when four National Westminster Bank directors resigned in the wake of the Blue Arrow scandals.

Lord Boardman, the chairman, aged 70, will go at the end of September, three months sooner than he planned. Three others carrying more direct responsibility for the irregularities at County NatWest, the group's investment banking subsidiary, Mr Charles Green, Mr Terry Green and Mr John Plastow, will clear their desks more quickly.

Lord Boardman's final suggestion that "there had been no requirement by the Bank of England for these resignations" was no doubt literally true, in that there was no list of names. But it can hardly be described as a complete account of the Bank of England's position. The Bank made plain that it wanted to see a proper response to criticism in order to maintain high standards in the banking system.

One of the strange ironies is that the Governor of the Bank of England, Mr Robin Leigh-Pemberton, is an ex chairman of NatWest - Lord Boardman's predecessor, in fact. Is the Governor being too harsh in order to avoid accusations of favouritism?

The resignations will tear a terrible hole in NatWest's top management structure. Not even as large a bank as this will be able to replace such experience at all easily. Already, Big Bang and the Blue Arrow involvement have cost the bank immense amounts of money. Now, shock waves will reverberate throughout the organisation as staff and customers react to the departure of the chairman and top executives.

The disciplining of such senior and respected bankers will serve to sustain the principle that those who accept responsibility must pay the price when things go badly wrong. It will send shivers of apprehension through boardrooms and executive suites throughout the City of London and beyond. Few in the financial services industry with laws and regulations will be taken a lot more seriously. Although business ethics may have been treated rather casually in some quarters in the past, self-preservation is a powerful motive.

But this justice is rough in the extreme. Much of the behaviour exposed last week in the Department of Trade inspectors' report on the Blue Arrow affair must have been fairly typical of the more aggressive securities groups. It was bad luck that the three executive directors were exposed in an affair that might never have attracted public scrutiny but for the sheer accident that the stock market crash occurred a few weeks after the Blue Arrow rights issue.

The alleged sins of the three executive directors were largely by omission: they failed to take any of the steps, to ask the questions or make the independent checks that they should have done. But they were career clearing bankers, with little knowledge of the peculiar business practices in corporate dealmaking and institutional stockbroking. Ignorance can be no excuse, but should they ever have been placed in what turned out to be an impossible position?

# The high price of banking error



**LORD BOARDMAN, 70**, a former Industry Minister and Chief Secretary to the Treasury, was due to step down as NatWest's chairman at the end of this year. He was not directly involved in the Blue Arrow affair and was in Washington at a meeting of the International Monetary Fund during the crucial period. He became NatWest chairman in 1983 when Robin Leigh-Pemberton was appointed Governor of the Bank of England.

**CHARLES GREEN, 55**, a director since 1982 and deputy chief executive since 1985, joined NatWest's board as the bank's first finance director. Mr Green told the DTI inspectors that he had at a crucial moment asked Nicholas Wells and David Reed if they had taken legal advice about whether the bank was covered by the market makers' exemption from disclosing its holding of Blue Arrow shares, and was assured on this point.

**JOHN PLASTOW, 59**, joined the bank while still in his teens and has held a range of jobs, the latest being director of related banking services. He managed NatWest's entry into the investment banking business and is the NatWest director put most directly into the firing line by the DTI. Mr Reed claimed that he had permission from Mr Plastow to go ahead with a placing of the Blue Arrow shares not taken up in the disastrous rights issue.

**TERRY GREEN, 55**, a deputy chief executive since 1987, joined up at the age of 16. He was cast into the thick of County's problems in February 1988 when the investment bank's chairman and chief executive resigned. Always intended to be a stop-gap, he stepped aside when County found a new chief executive in John Macdonald at the start of this year.

blood spilt at NatWest partly derives from a wish to distract attention from its own responsibilities. Not that the Bank's officials could have done very much in the specific circumstances of the Blue Arrow affair. But the Bank of England has assumed the overall role of regulator and departmental sponsor for the City of London. It must therefore be very worried about the possibility that the investigation of County NatWest revealed not just

individual but systemic inadequacies. It is only four years since the Bank of England ran into serious political trouble over its own failure to prevent the collapse of a bank, Johnson Matthey Bankers. Banking supervision has been greatly tightened since then. But now, policies for the securities markets must be re-examined too.

A powerful theme of Bank of England strategy during the past 10

years has been the opening up of the London securities market and the development of the City as one of the three top centres of the global financial industry. The Stock Exchange's Big Bang restructuring in 1986 was a key event, allowing the commercial banks to buy their way into what had previously been a closed club, and the Bank of England promoted the formation of powerful, diversified British securities groups which could become global players to rival the big American investment banks. NatWest sought to build up one of these, but its ambition has led it deeper and deeper into trouble. The bank is saying nothing for the time being, but it would not be surprising if there were internal voices arguing that NatWest should cut its losses and concentrate on the businesses it understands.

Another central theme has been that of self-regulation. The Bank has traditionally promoted self-regulatory bodies, and these have been given an important role in the new structure imposed under the Financial Services Act. It is true that the new investment watchdog body, the Securities and Investments Board, and its subordinate self-regulatory organisations such as the Securities Association, which authorises NatWest's securities market subsidiaries, did not gain their full powers until some nine months after the Blue Arrow affair. But some of the new regulatory procedures, such as the use of in-house compliance officers, were in place, and their ineffectiveness must be a source of considerable concern.

There is now an urgent need for an assessment of how general the problems are, or whether National Westminster has been particularly badly run. This is another irony, because in the early 1980s NatWest surpassed Barclays to become Britain's biggest and best-managed bank. Now, NatWest is struggling, and it must re-examine its approach.

The internal management structure of the bank in fact became the subject of private controversy last year when the board began to consider who should succeed Lord Boardman as chairman. The directors debated the candidacy of Sir Peter Walters, chairman of BP and, at that stage, a deputy chairman of NatWest.

But Sir Peter insisted on tough conditions. He wanted to carve up the unwieldy 31-member board, consisting mostly of non-executives, and install something more like an industrial management structure. The directors jibbed at this, and Sir Peter exited. The board eventually settled for the apparently more amenable prospect of Lord Alexander, continuing the tradition of barrister chairmen. He will now take over on October 1, three months earlier than expected.

As something of a Bank of England protégé, Lord Alexander comes with excellent credentials. But he has never managed a company, let alone a bank, and there must be grave doubts whether at this critical stage NatWest will thrive under another amateur chairman. Professional bankers now rule elsewhere, with Sir Kit McMahon in charge at Midland, Sir Jeremy Morse at Lloyds and Mr John Gannon at Barclays, which has recently acquired a new lease of life.

The canny Sir Jeremy only ever dipped a big toe into the securities business, before withdrawing it, and Midland, burdened by other troubles, pulled out soon after Big Bang. Barclays, on the other hand, plunged in even more deeply than NatWest, with the creation of Barclays de Zoete. It seems to have asserted tighter control than NatWest, and it claims there is much more investment banking experience on its main board.

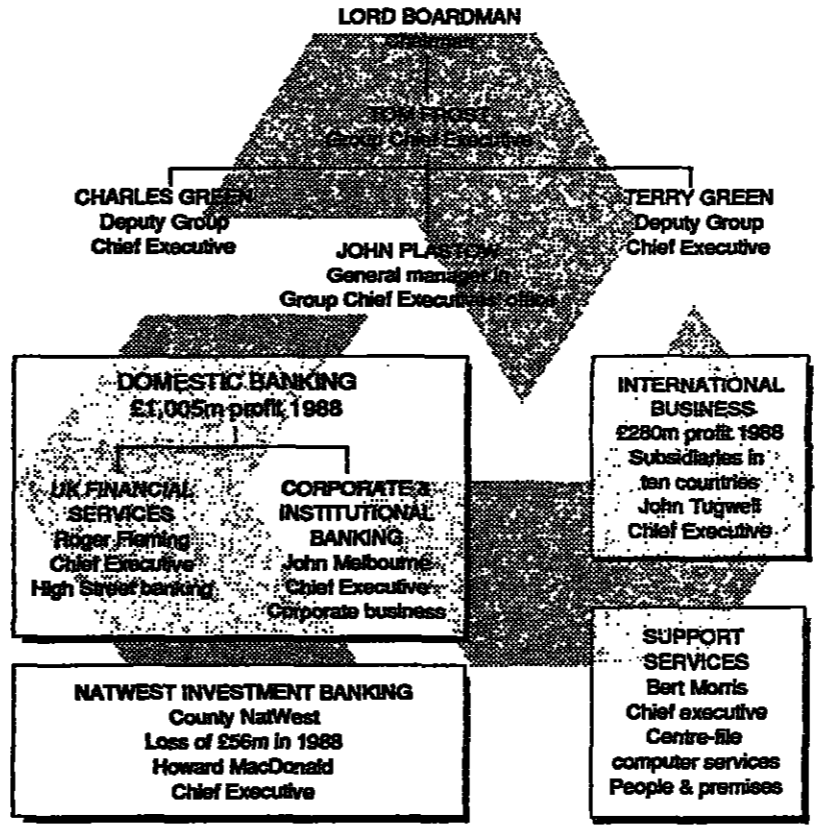
Certainly, other banks can gain scant comfort from NatWest's predicament. The risks are highlighted for everybody. Meanwhile the regulators at the Bank of England and the SIB must reconsider their approach to the authorisation of firms and individuals. They have already placed great emphasis on whether responsible directors, as well as practitioners, could be regarded as "fit and proper", but they may now have to use more specialised criteria. The unfortunate cases of Messrs Green, Green and Plastow show that integrity and general experience may not be enough when it comes to coping with critical circumstances in handling takeover bids or capital issues.

The other side of this coin is that financial executives are likely to become much more careful about accepting responsibilities, if minor mistakes or omissions could lead to public disgrace. At corporate level, this must show itself in a generally greater reluctance for companies to diversify into sensitive businesses where they have no internal expertise.

The Blue Arrow affair has been brewing for many months. In one sense, it will be a relief to National Westminster Bank that the worst is now over and it can begin to build for the future again under a new chairman. But the cost to the bank's pride has been shocking - and it still faces the threat of civil action if investors in Blue Arrow seek to recoup some of their losses.

In the City yesterday there were rumblings of complaint that the inspectors' reports provided erratic justice at the best of times. Should not the Bank of England have been more protective towards one of the UK's great financial institutions which had suffered from bad execution?

## NatWest structure



## Moscow and London

There is a terrible mix-up in Anglo-Soviet relations. Both sides have been seeking to put them together again since the tit-for-tat expulsions of diplomats and journalists in May. Yet every time they try, something else goes wrong.

Lord Young went to Leningrad and Moscow for top-level trade talks with Vladimir Kamentsev, the Soviet Deputy Premier responsible for foreign economic relations, when Young was still Secretary of State for Trade and Industry. Kamentsev was dumped from his job by the Supreme Soviet for "negotiation and sloppy work" the next week.

Moscow tried to make up for it by sending Alexandra Biryukova, the only woman in the Politburo, and herself a Deputy Premier in charge of social affairs, to London this week for talks with Lord Young. They found that he, too, had left office.

Now there is General Dmitri Yazov, the Soviet Defence Minister, who was keen to play his part in papering over the Anglo-Soviet cracks. He came to London this week expecting to see George Younger at the Defence Ministry and Sir Geoffrey Howe at the Foreign Office, only to find that one had been replaced by a King and the other by a Major.

In Moscow, however, negotiations between the British Embassy and the Soviet Foreign Ministry on cutting the numbers of Soviet employees at the Embassy - as part of the tit-for-tat battle - are dragging on interminably. Both sides seem happy to keep it that way.

## Too long

My own view of Mrs Thatcher in the 11th year of her premiership is very simple: she has stayed too long. She should have gone about a year

# OBSERVER

ago. That does not mean that she is a less good Prime Minister than she used to be. Nor is it a great criticism. Almost everybody does it. De Gaulle did it in France; Ronald Reagan would have run for a third term in the US, if the constitution had allowed him to. It does not necessarily mean either that she will lose the next general election, though the odds must be changing. But it does mean that the chances of her going gracefully, of her own accord and at the height of her reputation are receding.

As for the reshuffle, it is hard to believe that if she did not get on with Sir Geoffrey Howe as her Foreign Secretary, which she did not, she will get on any better with him as her deputy. It is also unlikely that this is the last big reshuffle before the general election. The posts of Home Secretary and Chancellor remain unchanged. That suggests that speculation about the future of Douglas Hurd and Nigel Lawson will be rife again well within the next 12 months.

Will Sir Geoffrey be given the Star Chamber - the task of adjudicating between departments on public expenditure? That could be an acid test of the new relationship.



"Let's hope we can go on meeting like this, darling."

Last Belgian winner was Lucien Van Impe in 1976. A lot of Belgians have pointed this out to us, and we apologise, though even they seem to quarrel about the figures between the French and Dutch speaking communities. One of them comments: "I think the British know as much about cycling as the Belgians do about cricket."

## Too tough

Rudolph Giuliani's campaign for mayor of New York is in trouble. The former Manhattan prosecutor, who made his reputation locking up Wall Street insider dealers, has slumped since three campaign advisers and recruited the controversial, if talented Roger Ailes, President Bush's media adviser.

Ailes is the man who used to shout at Bush to bring out his aggressive best during the presidential debates with Michael Dukakis last year. During the live TV confrontation

between Bush and Dan Rafter of CBS, Ailes also played a key role, holding up signs which contained scrawled advice and put-downs.

Giuliani's problems stem partly from his high "negative" ratings. A recent poll showed that 29 per cent of registered voters polled in New York had an unfavourable impression of him, compared to 4 per cent in January. One reason seems to be his icy demeanour; the other is the stream of negative publicity run by his Republican opponent, Ronald Lauder, who has spent \$8.5m on TV and other advertising - big even by New York standards.

It may be true, too, that Giuliani has focused too much attention on the November general election, thinking that the Republican primary against Lauder on September 12 would be easy. Ailes, who has written a best-seller about his techniques in manipulating the media, will bring a bit more discipline and bite to the Giuliani camp, even at this late stage.

## Oxford law

Professor Roy Goode is to be the first holder of the Norton Rose Chair of English Law at Oxford. The chair looked like sinking when the university was running short on funds last year; then Norton Rose, the City law firm, came up with the endowment. Goode will succeed Patrick Atiyah, the specialist on contract law who retired because of ill-health. His own speciality is commercial law and there may be, he says, a commercial law course for undergraduates. After 18 years at Queen Mary College, London, where he founded the Centre for Commercial Law Studies, he will arrive in Oxford in January.

## Downtrodden

Sign on a new lawn in front of a block of flats in Birmingham: "Keep off Your feet are killing me!"

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Peter Montagnon on the World Bank's efforts to address environmental concerns

Once the butt of fierce international criticism for cavalier disregard of the ecological consequences of opening up the Amazon rainforest, the World Bank has long been anxious to clean up its own image in this regard as well as the environment of developing countries which it seeks to serve.

Sharp rise in green interest rate



Since the Paris summit earlier this month it has been given a mandate at the highest level to do so. In their concluding declaration, the leaders of the world's richest industrial countries urged the Bank and its regional counterparts to integrate environmental considerations into their development work.

broader issue of development? And how far is it prudent for a financial institution such as the Bank to lend support of environmental protection when the return in economic terms is non-existent at worst or, at best, impossible to define?

diminish. But it is still necessary to engage the political will of recipient countries to tackle the environment rather than seeking to override their national sovereignty by imposing rules externally.

return on investment and made the loan more bankable. Where difficulties arise, however, is when there is a need to impose costly restrictions such as the need to limit emissions of chlorofluorocarbons.

UK economic policy A 'soft landing' is wishful thinking

By Frank Blackaby

It is one of the curiosities, in the academic policy, that there is no keener in being right. In other forms of intellectual endeavour, bad predictions serve to discredit the theories on which they are based, and the authors of those predictions find their status somewhat downgraded in the eyes of the working of the British economy, this is not the case.

Since the summer of last year there has been a repeat performance: the prediction that high interest rates will work, and there will be - to use the new term of art - a "soft landing."

exist; labour costs are the main component of any rise in prices; and the size of the wage round is largely determined by two things - the state of demand for labour and the rise in retail prices since the last award.

However, the rock on which Government policy will founder is more likely to be the balance of payments. It seems Government ministers observed that the US had run a balance of payments current deficit for years and got away with it; they concluded that Britain could do the same.

of countries with strong internal inflation. From Argentina to Vietnam. The dollar is a world currency, in a way that the pound is not. Britain's invisible earnings will fall, as assets are sold to bolster the exchange rate, and as high interest payments are made on the hot money that has been tempted in.

LETTERS

Coping with Poland's debt

From Professor Richard Portes. Sir, Peter Montagnon (July 20) makes an excellent case for debt relief for Poland. The arguments are perhaps more compelling now than when I put them in January 1981 (The Polish Crisis: Western Economic Policy Options, IRIA).

debt is one we can actually help to overcome. Presumably the same arguments are equally compelling, however, for many other middle-income highly indebted countries.

Parcel pay

From Mr Nick Nelson. Sir, The headline "10 per cent" pay rise, on your report of the proposed pay deal between Royal Mail Parcels and the Union of Communication Workers, is misleading.

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Traffic at King's Cross

From Mr Peter Witt. Sir, You are right to call attention to the transport implications of the King's Cross development (July 10).

space and housing. Roads in the area are already operating at capacity and subject to severe congestion.

Ghana's timber supplies

From Mr Moses Adighi. Sir, We note William Keeling's thoughtful analysis of Ghana's forest sector (FT survey, July 11).

We are confident that - with the assistance of Britain's Overseas Development Administration - we can offer, from our forest reserves, timber managed under a policy providing sustainable yields, and thus allay the anxieties of environmentalists in Britain.

'Car parking for prosperity'

From Mr R.G.I. White. Sir, Recent studies indicate the national costs of road congestion. Central government, in its white paper, Roads for Prosperity, has announced a \$12bn road improvement scheme.

parking for maintaining local business - and what central government initiatives are required to resolve this.

Running water

From Mr Michael Carney. Sir, I must put David Kinnersley right on some of his more outrageous assertions (Letters, July 15).

increases, car parking is multiplied by multi-storey facilities. The consequent local increase in further custom, employment, turnover, profits, rental, property values and central government taxation revenue can be described as "Car Parking for Prosperity."

Agreement over coffee

From Mr J. Hughes. Sir, Your assessment of the collapse of the coffee pact (July 18), like the pact itself, ignores reality. You forget that:

quota - and any net gain - was decided by the coffee producers' power politics: patterns of demand or ability to supply by coffee type were of marginal importance, economic status and coffee dependence of none.

Parcel pay

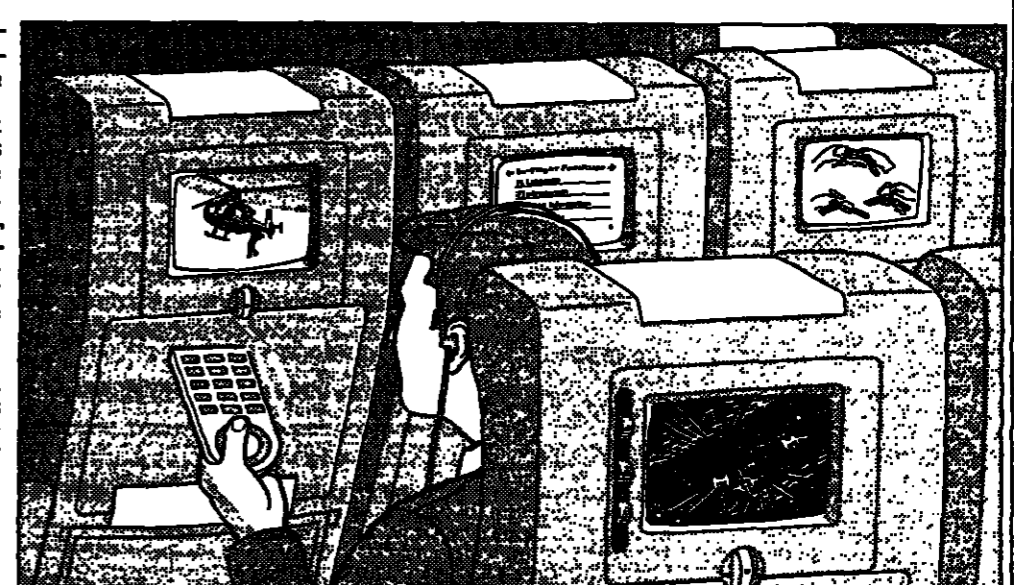
less than a half-truth. David Kinnersley knows of the big improvement programmes, to agreed timetables, which have been settled, together with tightening some requirements.

Third, it is because the authorities realise the needs which have to be financed and met that they see no viable alternative to privatisation.

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IN-FLIGHT MONEY-MAKER

Airline passengers will have individual telephone and entertainment facilities with a new system developed by Plessey. The Integrated Flight Entertainment and Services System (IFESS) will provide every passenger with a liquid crystal colour TV display, headset and keyboard.



AIRLINE INTEREST. Nearly 40 airlines have shown interest in the system since it was demonstrated at the recent Paris Air Show. It is now being demonstrated in the USA.

relayed to the airline's engineering maintenance base. Mr Mike Whiteman, managing director of Plessey Avionics and chairman of SkyTrading, said IFESS was well positioned to replace duty-free facilities as a source of airline income.

Passengers will pay for services as they are used. The first systems will be fitted into aircraft by 1990. IFESS will be marketed exclusively by SkyTrading, a new company formed by Plessey and a major leisure and entertainment company.

Plassey can also provide global positioning and engine monitoring systems. Information on location, height and speed would be sent to air traffic control and airline operations centres, with engine data

An urgent Canadian order for submarine sonar systems has been met by Plessey in remarkably short time. The three Triton systems were required for the Oberon class submarines Ojibwa, Onondaga and Okanagan.

Plessey export marketing executive Nick Messenger said: "We believe that the order, worth \$CAN8.7 million, represents the beginning of a long-term relationship with the Canadian submarine service involving both Plessey Naval Systems in the UK and its sister company, Leigh Instruments of Canada."

NEW SATELLITE STATION

Plessey has won a £4.5 million contract to build a satellite ground station at West Freugh on the west coast of Scotland. The contract was awarded by the Ministry of Defence and the station is for the Royal Aircraft Establishment, Farnborough.





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Wednesday July 26 1989

INSIDE Retailers' discount share swap blocked

A shake-up of Japan's overcrowded food retailing sector looks likely to go ahead following yesterday's injunction blocking a share exchange plan by two supermarket operators.

Woolly thinking in Australia Wool is, along with coal and tourism, one of Australia's most important exports.

Recovering from scandal Brazilian share prices have recovered some ground after their 54 per cent plunge in early June in the wake of a stock market scandal.

Sharp fall for Mobil Mobil, the large integrated US-based oil company, reported a sharp drop in second quarter earnings.

Boots puts the boot in Boots questioned the foundations of the profits forecast made by Ward White, the retailer that is the subject of its £200m bid.

Big Store on the up Sears, Roebuck, the world's largest retailer, reported an increase in second-quarter income yesterday after gains in all its divisions and the sale of the Coldwell Banker real estate group's commercial section.

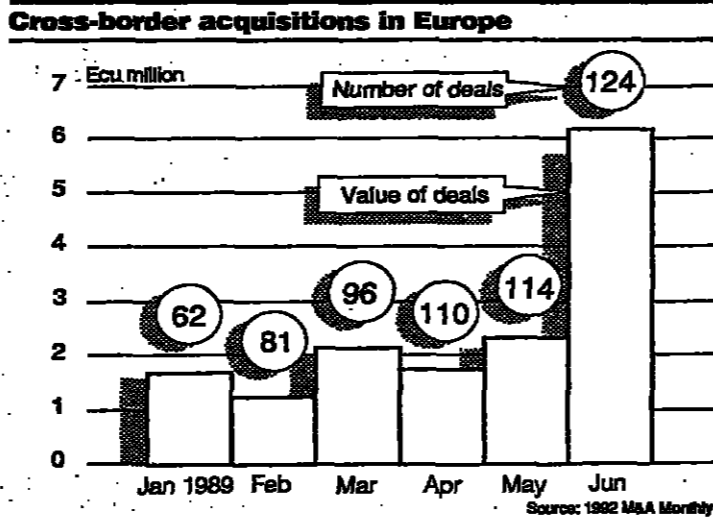
Market Statistics table with columns for Base lending rates, Benchmark Govt bonds, European options etc.

Companies in this section table listing various companies like Abbey National, Asarco, Ashton-Tate, Blue Arrow, Boots, Chulitsuya, Clark (Matthew), Computer Assoc, Consolidated Press, Control Data, DRG, Eaton, Elders DL, Ence, Enimont, Ewart, Farnborough Group, Gateway, Goode Durrant, Hispano Americano, Hooker Corporation, Hughes Food, IIT, Inageys, Laidlawbank, Menzies-Swain Group, Microsoft, Mobil, Molins.

Chief price changes yesterday table with columns for FRANKFURT (DEM), Swiss Franc (SFR), NEW YORK (\$), LONDON (Pence).

US plan to tax foreign buyers

By Norma Cohen in London A US CONGRESSIONAL committee is considering a proposal, which has the tacit approval of the Bush Administration, that would impose new taxes on foreign buyers of US companies - a move which could affect the proposed £13bn (\$21bn) takeover of BAT Industries, the UK conglomerate.



France tops European cross-border mergers

By Guy de Jonquieres, International Business Editor FRANCE, the US and Britain were by far the most active acquiring nations in European trans-border takeover activity during the first half of this year, according to a survey.

Texas Eastern may ditch Enterprise deal

By Steven Butler in London TEXAS EASTERN, the US gas transmission company, may pull out of a \$961m deal to sell its UK oil and gas subsidiary to Enterprise Oil, the UK independent oil company, unless the sale can be consummated by the end of this month.

Restructuring moves lead to loss of nearly \$1/2bn at Control Data

By Roderick Oram in New York CONTROL DATA, the stricken US computer hardware and services company, has reported a second-quarter loss of nearly \$400m as a result of restructuring moves.

Art market's growth continues

By Edward Sussman in London THE INTERNATIONAL art market has, for the second year in a row, set a new record for growth, and, says the big international auction houses, there is no sign of any weakening in demand.



STC in talks on joint ventures

By Hugo Dixon in London STC, THE UK electronics group, said yesterday it was in talks with European partners about forming joint ventures for its ICL computer subsidiary and its telecommunications division.

FOCUS ON THE U.S. Fidelity - The American Experts. Maximising the investment potential the U.S. holds isn't an easy job. Indeed, successful investment in America requires not only a thorough knowledge of the market but also an in-depth understanding of it.

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INTERNATIONAL COMPANY NEWS

Improved margins bring 35% advance at Ence

By Peter Bruce in Madrid

EMPRESA NACIONAL de Celulosa (Ence), the big Spanish pulp and paper producer, yesterday reported pre-tax profits of Pta4.8bn (\$38.4m) for the first half of 1989, an increase of 35 per cent on the same period last year.

Ence, the world's largest producer of eucalyptus pulp, said sales in the six months had risen by 4.5 per cent to Pta21.5bn, more than 60 per cent of which was accounted for by exports.

INI, the state industrial holding company, owns about 55 per cent of Ence with the bulk

of the rest of the shares freely traded on the Spanish stock markets.

The company has been able to improve its profit margins dramatically in the past 18 months following the disposal of a paper plant to Torras Hostench and an ageing pulp mill to Scott Paper of the US. Profit on sales has more than doubled from the 9.3 per cent recorded in 1987.

The disposals came as the group, which once toyed with becoming a fully diversified paper producer, began a retreat from this strategy to concentrate on becoming a specialist pulp producer, using a rapidly growing eucalyptus resource in Spain.

Fast-growing eucalyptus trees produce a short fibre pulp that is gaining popularity with paper-makers because it is easier to dry. Spain and Portugal are the only eucalyptus producers in Europe though most plantation owners, except Ence, use their pulp to feed in-house requirements.

Ence made net profits of Pta5.6bn last year and analysts believe these will rise to nearly Pta7bn this year.

Mr Stockdale became chairman of Eagle Trust in May after Troquois Brands, the US conglomerate he chairs, bought a 12.9 per cent stake.

The liquidation decision followed an independent report commissioned from accountants Peat Marwick into the group's finances.

Eagle Express - previously known as Connect Parcel Distributors - began trading in February 1987.

At the end of 1987, Eagle Trust made unsecured cash advances of £12.2m to the parcels company and in April 1988 it bought Eagle Express's entire share capital for £86,000. Further advances were made during 1988 but in December it was decided to close Eagle Express. Since then, Eagle Trust effectively advanced a further £2.4m.

Eagle Trust said it was too early to assess the overall financial effect of the liquidation.

But it added that the accumulated losses of Eagle Express were approximately £35m and that it did not expect to recover this money.

Eagle Trust expects to release its annual results by the end of August. It will then apply to the Stock Exchange to have its shares relisted. They were suspended in May at 18p.

Eagle Trust puts parcels unit into liquidation

By John Thornhill in London

EAGLE TRUST, the UK mini-conglomerate, is putting Eagle Express, its troubled parcel delivery subsidiary, into liquidation and writing off losses of up to £35m (\$56.7m) on the business.

Eagle Trust only acquired the parcels company in April last year.

The decision to liquidate was taken by Mr Malcolm Stockdale, Eagle Trust's new chairman and chief executive, just six weeks after the resignation of Mr John Ferriday, the former chief executive.

Mr Stockdale said that Eagle Trust's involvement with Eagle Express had obviously proved to be a bad decision.

However, he added there was no suspicion of any illegality. "There is nothing to indicate that anything has gone missing," he said.

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Europe steps up the M&A pace  
Guy de Jonquieres on the rising tide of cross-border mergers

The strength of cross-border mergers and acquisitions activity in western Europe is underlined by a survey which finds that almost 600 deals with a total disclosed value of Ecu15.4bn (\$16.6bn) were made in the first half of this year.

The survey, by the 1992 M&A Monthly\*, a specialist publication, finds that activity was particularly intense in June, which saw 124 deals with a recorded value of Ecu6.2bn.

That figure was inflated by a few very large deals, notably the Ecu1.8bn purchase by BSN of France of RJR Nabisco's European food subsidiaries.

The survey also shows that cross-border M&A in Europe was overwhelmingly an intra-European affair in the six months. Deals made by acquiring companies of European origin were worth Ecu11.3bn, while American acquirers made deals worth Ecu3.6bn.

The total value of deals was probably somewhat higher, since the prices of many smaller ones have not been disclosed.

Comparisons with earlier periods are not available, since this is the first year in which 1992 M&A Monthly has compiled detailed information on trans-European deals.

While almost every part of Europe has been affected by the wave of cross-border M&A, the pattern of transactions varied sharply between industries and countries.

Food and food retailing saw the most vigorous action, generating 53 deals worth Ecu3.5bn, while the value of deals in banking, construction and building materials and insurance also exceeded Ecu1bn. By contrast, there was very little activity in leisure, hotels, energy, white goods and tobacco.

Among major European countries, the survey highlights the following:

France: French companies were by far the most active acquirers, making 96 purchases in the rest of Europe with a total value of Ecu4.1bn. Though 91 French companies were bought by foreign acquirers, the total value of such deals was only Ecu2.3bn.

Nonetheless, France was the second most popular target country for cross-border acquisitions after the UK. When

Total cross-border value Ecu 15,437.5m  
Total cross-border deals 587  
Source: European Deal Review

Acquiring nations	Six months to June 1989		
	Ecu value (million)	% of total value	Number of deals
France	4,149.2	26.9	98.0
US	3,614.9	23.4	68.6
UK	3,286.8	21.3	160.0
Italy	1,070.8	6.9	27.5
Sweden	756.7	4.9	45.8
Japan	531.6	3.4	24.0
Finland	500.4	3.2	15.0
W. Germany	300.1	1.9	46.0
Spain	296.3	1.9	11.0
Denmark	219.6	1.4	9.5
Others	709.0	4.8	93.8
<b>Target nations</b>			
UK	5,955.7	38.6	101.0
France	2,298.6	14.9	91.0
Italy	2,038.8	13.2	52.3
W. Germany	1,774.1	11.5	90.5
Spain	1,063.7	7.0	65.5
Neths.	510.8	3.3	47.5
Finland	319.4	2.1	9.0
Portugal	310.0	2.0	12.1
Sweden	205.7	1.3	16.0
Belgium	179.9	1.2	27.8
Others	760.8	4.9	74.5

non-European acquirers are excluded, France ranks in third place, just behind Italy.

The 1992 M&A Monthly suggests that France's large economy and continental location might make it an even more popular target for foreign acquisitions than the UK, were it not for evidence of local resistance to foreign takeovers of French companies.

Britain: Total foreign acquisitions of UK companies amounted to Ecu5.56bn in the half year, almost three times the value of foreign acquisitions in France and nearly twice the value of British acquisitions elsewhere in Europe.

However, the figures offer no support to those in Britain who complain that lack of takeover reciprocity makes it much easier for companies from other European countries to buy firms in the UK than the other way round.

Roughly half the value of acquisitions in Britain was accounted for by companies from the US (Ecu2.6bn) and Japan (Ecu371.8m), making the

UK much the most popular target for European acquisitions by companies from these countries.

When purely intra-European deals are taken into account the value of British acquisitions in the rest of Europe, at Ecu 3.29bn, comfortably exceeded foreign acquisitions in the UK, which totalled Ecu2.76bn.

Nor did UK companies lag their continental competitors in the race to acquire within Europe in the first half of this year. Measured by value, only French and US companies were more active, while British companies were, by a huge margin, the biggest foreign acquirers in both France and West Germany.

British companies also made almost twice as many acquisitions in other parts of Europe as did French ones. But the average value of UK deals, at Ecu20.5m, was less than half that of French acquisitions.

The largest UK deals in Europe were Advanta's acquisition of 10 per cent of Philipp Holtzmann, a West German construction company

(Ecu712m), Guinness's purchases of minority stakes in LVMH and Christian Dior of France (Ecu 604m), and Heron International's acquisition of 40 per cent of Spain's Torcovir construction group (Ecu130m).

West Germany: The survey finds, contrary to widely-held opinion, that foreign acquisitions in Germany have been running at a high level. Indeed, in the first half of this year, it was the fourth most popular country among foreign acquirers, which made more than 90 deals there worth Ecu1.77 bn.

In striking contrast, however, German companies have been extremely timid about acquiring elsewhere in Europe. They made 46 deals worth only Ecu307m, less than the value of cross-border acquisitions by companies from Sweden, Finland or Japan. Furthermore, more than half these deals by value were in one country, Spain.

The imbalance between inward and outward acquisitions was more pronounced than in any other country. While the former deals have been partly stimulated by sales of private companies in advance changes in capital gains tax, the reluctance of large German companies to acquire elsewhere in Europe remains unexplained.

Japan: The survey confirms other indications that Japanese acquisitions in Europe are edging up gradually, though their scale remains modest - particularly in relation to Japan's investment surpluses.

In the first half of the year, Japanese companies made 15 acquisitions in Europe, with a disclosed value of Ecu331m. More than half that amount was accounted for by three deals: Bank of Yokohama's Ecu143m takeover of British merchant bank Guinness Mahon; Kao's Ecu128m purchase of 75 per cent of Goldwell, a German hair care company; and Mitsubishi Corporation's Ecu 76.5m acquisition of two British food companies, Princes and Trex.

\*The 1992 M&A Monthly: 730 Fifth Avenue, Suite 1906, New York, NY 10019. Tel: (212) 265 7990. 99 Bishopsgate, 21st Floor, London EC2M 3XD. Tel: 01-521 6166.

Hispano Americano 40% ahead

By Peter Bruce

BANCO HISPANO Americano, one of Spain's big six commercial banks, made parent bank pre-tax profits of Pta22.05bn (\$184.5m) in the first half of this year, a gain of 40 per cent on the same period of 1988.

Consolidated group pre-tax profits rose 22.5 per cent to Pta28.5bn.

Hispano, which recently agreed to acquire 5 per cent of West Germany's Commerzbank for some \$74m, said net interest income at the parent rose 13.7 per cent to Pta61bn.

Like most Spanish banks, Hispano has been lending heavily to consumers this year, and its total loan portfolio rose 23 per cent to Pta1,400bn while customer deposits rose only 11.5 per cent to Pta1,800bn.

GEF in Agafi deal

GROUPE Expansion Finances, the French financial publisher, has raised its stake in the Agafi Development publishing group to 68 per cent through the purchase of an additional 18.5 per cent stake from Compagnies Europeennes Reunies (Cerus), Reuters reports.

Cerus, the French holding company of Mr Carlo De Benedetti, the Italian businessman, bought 18.7 per cent of GEF earlier this month.

Neste to acquire 50% of Nynas Petroleum

By Joseph Mann in Caracas

NESTE, the Finnish national oil company, is to acquire the 50 per cent shareholding in Nynas Petroleum held by the Axel Johnson group of Sweden and the Swedish Investment Bank.

News of the deal was made public in Caracas by Venezuela's national oil company, Petroleo de Venezuela SA (PDVSA), which owns a 50 per cent shareholding in Nynas and which declined an option to purchase the remaining stock.

AB Nynas Petroleum owns

two oil refineries in Sweden and another in Belgium. It also operates a distribution network for lubricants and asphalt products in Western Europe.

The Axel Johnson group held 37 per cent of Nynas shares while the Swedish Investment Bank had 23 per cent.

In 1986, PDVSA purchased its 50 per cent in Nynas from the Axel Johnson group for \$K153m (\$23.6m). PDVSA also has major interests in oil refining and distribution systems in West Germany and the US.

Länderbank considers increase in dividend

INCREASED second-half profits are expected by Oesterreichische Länderbank, and the bank, Austria's third biggest, may increase its dividend, Reuters reports.

Mr Gerhard Wagner, managing director, said yesterday that Länderbank had increased partial operating profit in the six months ended June, 1989 to Sch337.1m (\$29.6m) from Sch330m in the same period last year.

"I'm optimistic that we can continue to perform fairly well in the rest of the year and will attain a noticeable increase in

Länderbank considers increase in dividend

all our profits." He added that the bank was considering an increase in dividend. Shareholders have received 12 per cent for the past four years.

"If possible we would like to increase this by 1 or 2 per cent, but we would not be giving details of any change until the autumn."

Länderbank's balance sheet total rose 3.7 per cent to Sch221.7bn at the end of June, from Sch213.9bn at end-1988.

Mr Wagner said the bank planned to expand overseas by opening an office in Los Angeles.

New Issue This announcement appears as a matter of record only. July 26, 1989

**THE REPUBLIC OF TURKEY**  
(Türkiye Cumhuriyeti)

**DM 400,000,000**  
**7 3/4% Deutsche Mark Bearer Bonds of 1989/1996**

Issue Price: 100% - Interest: 7 3/4% p.a., payable annually in arrears on July 26 - Redemption: on July 26, 1996 at par - Denomination: DM 1,000 and DM 10,000 - Security: Negative Pledge Undertaking - Listing: Frankfurt Stock Exchange

<b>COMMERZBANK</b> AKTIENGESellschaft		
<b>AMERICAN EXPRESS BANK GMBH</b>	<b>BANCO BILBAO VIZCAYA DEUTSCHLAND</b> AKTIENGESellschaft	<b>BANQUE BRUXELLES LAMBERT S. A.</b>
<b>BANQUE INTERNATIONALE A LUXEMBOURG S. A.</b>	<b>BANQUE PARIBAS CAPITAL MARKETS GMBH</b>	<b>BAYERISCHE HYPOTHEKEN- UND WECHSEL-BANK</b> AKTIENGESellschaft
<b>BAYERISCHE LANDESBANK GIZENTRALE</b>	<b>BAYERISCHE VEREINSBANK</b> AKTIENGESellschaft	<b>BHF-BANK</b>
<b>BREMER LANDESBANK</b>	<b>CHASE BANK</b> AKTIENGESellschaft	<b>CHEMICAL BANK</b> AKTIENGESellschaft
<b>CTIBANK</b> AKTIENGESellschaft	<b>CREDITANSTALT-BANKVEREIN</b>	<b>CREDIT LYONNAIS SA &amp; CO (DEUTSCHLAND) OHG</b>
<b>CSFB-EFFECTENBANK</b> AKTIENGESellschaft	<b>DAI-ICHI KANGYO BANK (DEUTSCHLAND) AG</b>	<b>DAIWA EUROPE (DEUTSCHLAND) GMBH</b>
<b>DEUTSCHE BANK</b> AKTIENGESellschaft	<b>DG BANK DEUTSCHE GENOSSENSCHAFTSBANK</b>	<b>DRESDNER BANK</b> AKTIENGESellschaft
<b>FUJI BANK (DEUTSCHLAND)</b> AKTIENGESellschaft	<b>HESSISCHE LANDESBANK - GIZENTRALE -</b>	<b>LTCB INTERNATIONAL</b> LIMITED
<b>MITSUBISHI BANK (DEUTSCHLAND) GMBH</b>	<b>NETSUI FINANCE INTERNATIONAL LIMITED</b>	<b>J. P. MORGAN GMBH</b>
<b>MORGAN STANLEY GMBH</b>	<b>NEDERLANDSCHE MIDDENSTANDSBANK NV</b>	<b>THE NIKKO SECURITIES CO., (DEUTSCHLAND) GMBH</b>
<b>NIPPON KANGYO KAKUMARU (EUROPE) LIMITED</b>	<b>NOMURA EUROPE GMBH</b>	<b>SALOMON BROTHERS AG</b>
<b>SANWA INTERNATIONAL LIMITED</b>	<b>SCHWEIZERISCHE BANKGEGESellschaft (DEUTSCHLAND) AG</b>	<b>SCHWEIZERISCHER BANKVEREIN (DEUTSCHLAND) AG</b>
<b>SHEARSON LEHMAN HUTTON A.G.</b> BANRHALS	<b>SOCIETE GENERALE - ELSÄSSISCHE BANK &amp; CO</b>	<b>WESTDEUTSCHE LANDESBANK GIZENTRALE</b>
<b>YAMAICHI INTERNATIONAL (DEUTSCHLAND) GMBH</b>	<b>T. C. ZIRAAT BANKASI</b>	

This announcement appears as a matter of record only.

**\$600,000,000**  
**Non-Recourse Project Financing**  
for  
**Intercontinental Energy Corporation**  
a Massachusetts corporation wholly owned by  
**The Roy Family**  
for the development of the  
**Bellingham, Massachusetts**  
and  
**Sayreville, New Jersey**  
**Cogeneration Projects**

Proceeds from this financing will provide 100% of the funds required to build two 300MW gas-fired cogeneration plants. These projects will be "Qualifying Facilities" under the Public Utility Regulatory Policies Act.

The undersigned acted as a financial advisor to Intercontinental Energy Corporation in connection with the development of the financing plan, the negotiation of project contracts and the arrangement of the above financing.

**The First Boston Corporation**  
July 18, 1989



INTERNATIONAL COMPANIES AND FINANCE

Copper and zinc demand help Asarco to progress

By Kenneth Gooding, Mining Correspondent

HIGHER REALISED prices for copper and zinc outweighed a fall in silver and lead prices and enabled Asarco, the largest metal refiner and smelter in the US, to increase second-quarter net earnings from a restated \$43.4m or \$1.03 a share to \$60.8m or \$1.26...

Salomon and Shearson make substantial gains

By Janet Bush in New York

SALOMON Brothers and Shearson Lehman Hutton, the Wall Street securities houses, yesterday reported substantially higher earnings in the second quarter, partly reflecting an improvement in trading volume in US stock and bond markets...

performance by Philbro Energy, which benefited particularly from higher prices and increased volatility in the crude oil market. Philbro achieved pre-tax earnings of \$102m compared with \$30m in the second quarter of 1988...

Sears, Roebuck up strongly at \$391.2m net

By Deborah Hargreaves in Chicago

SEARS, Roebuck, the world's largest retailer, reported an increase in second-quarter income yesterday after gains in all its divisions and the sale of the Coldwell Banker real estate group's commercial section...

The company's Allstate Insurance division saw income rise to \$199.8m from \$190.6m, but the division that showed the strongest second-quarter gain was the Dear Witter Financial Services group...

ITT reports moderate increase

By Karen Zagor in New York

ITT, the largest US conglomerate, reported a moderate gain in second-quarter earnings as gains from several of the company's core businesses offset dramatic losses from its insurance operations...

income rose 14 per cent in the quarter. Sales revenues were marginally up at \$5.2bn against \$5bn a year ago. The company said sales were hurt by a reduction in domestic property and casualty premiums...

Surge in oil business boosts USX

By Karen Zagor

USX, the big US steel and energy group, boosted second-quarter profits by 17.4 per cent as a surge in the oil business compensated for weaker results from the steel operations...

S African disposal hurts Mobil

By Karen Zagor

MOBIL, the large integrated US-based oil company, reported a sharp drop in second-quarter earnings, which it attributed to a loss of its South African operations...

Earnings slip at Nova halfway

By David Owen in Toronto

NOVA, the Canadian pipelines and petrochemicals group whose shares were recently listed on the London Stock Exchange, has reported lower quarterly earnings as a result of reduced contributions from domestic styrene, polyethylenes and methanol production...

Over the six months ended June 30, earnings climbed 20 per cent to C\$205m or 76 cents, compared with C\$171m or 70 cents in 1988. Revenues were just C\$624m...

Ashton-Tate suffers hefty loss

By Roderick Oram in New York

ASETON-TATE, a leading US producer of software for personal computers, yesterday reported a plunge in revenues and a hefty loss in the second quarter. It also announced the resignation of its chief operating officer...

most of the Decision Resources line of software it bought in 1988. Mr Edward Esber, chairman and chief executive officer, said Mr Luther Nussbaum had resigned as president and chief operating officer over differences in management philosophy...

Eaton advances at halfway mark but sees setback

By Roderick Oram

EATON CORPORATION, the US vehicle components and electrical controls group, made strong progress in the second quarter and half year, but the group warned that its markets were softening, writes Our Financial Staff...

Unisys plummets on weak sales

By Roderick Oram

UNISYS' NET profits fell 67 per cent in the second quarter, undermined by price and demand problems for its computers and by a temporary US Government ban on its defence operations soliciting new business...

NWA soars to record in second quarter

By Karen Zagor

NWA, parent of Northwest Airlines, the fourth-largest US carrier which last month agreed to be acquired for \$3.65bn, has registered record second-quarter earnings...

Interlock AG

Interlock AG, a company incorporated by the Management of Interlock Sicherheitssysteme AG, has acquired the business of Interlock Sicherheitssysteme AG, which is a subsidiary of Hepworth plc.

The TSE Welcomes GOLDSTAKE EXPLORATIONS. The Exchange. (Left to right) Commemorating the listing of the shares of Goldstake Explorations Inc. on the Toronto Stock Exchange are K. Robert Besty, Director; Robert Cleaver, President; Robert Cook, Manager, Original Listings, TSE; and F.W. Powell, Director. The trading symbol for Goldstake is GXP.

Tops Series V Limited. (Incorporated with limited liability in the Cayman Islands) U.S.\$150,000,000. Series V Floating Rate Trust Obligation. Participation Securities due 1992. Secured by a Charge on a Portfolio of Fixed Rate Bonds and Notes with an aggregate principal amount of U.S.\$215,275,000.

ALLIANCE LEICESTER. Alliance & Leicester Building Society. £112,000,000. Subordinated Floating Rate Notes due 1998. For the three months 24th July, 1989 to 24th October, 1989, the Notes will carry an interest rate of 14.65% per annum with an interest amount of £18,463.01 per £500,000 Note, payable on 24th October, 1989.

CARPS II Limited. (Incorporated with limited liability in the Cayman Islands) U.S.\$80,000,000. Secured Floating Rate Notes due 1992. For the period 24th July, 1989 to 22nd January, 1990 the Notes will carry an interest rate of 8.9625% per annum with a coupon amount of U.S.\$4,531.04 per U.S.\$100,000 Note payable on 22nd January, 1990.

To the Noteholders, Couponholders and Warrantholders of: Life Co., Ltd. US\$ 30,000,000 5 1/4 per cent. Guaranteed Notes 1992 with Warrants. Notice of change of address of: The Fuji Bank, Limited London Branch.

To the Noteholders, Couponholders and Warrantholders of: Tobu Railway Co., Ltd. US\$ 300,000,000 4 1/4 per cent. Notes 1994. Notice of change of address of: The Fuji Bank, Limited London Branch.

To the Bondholders, and/or Couponholders of: Nippon Seiko K.K. US\$ 70,000,000 3 1/4 per cent. Convertible Bonds 1999. Notice of change of address of: The Fuji Bank, Limited London Branch.

SABRE IV LIMITED. US\$100,000,000 Floating Rate Secured Notes Due 1999. For the 6 months period 24th July, 1989 to 23rd January, 1990 the Notes bear the interest rate of 9.00% per annum. US\$4,575.00 will be payable from 23rd January, 1990 to US\$100,000 principal amount of Notes.

This announcement appears as a matter of record only. June 1989. INTERLOCK AG. a company incorporated by the Management of Interlock Sicherheitssysteme AG has acquired the business of Interlock Sicherheitssysteme AG, which is a subsidiary of Hepworth plc. We acted as financial advisers to Interlock AG. PaineWebber International.

INTERNATIONAL COMPANIES AND FINANCE

Qantas chief leaves under cloud

By Chris Sherwell in Sydney

**QANTAS**, Australia's state-owned international flag carrier, is casting around for a new chief executive following the rancorous departure of Mr John Menadue on Monday. The shake-up has added to the problems hanging over the airline's future. Qantas needs a A\$600m (US\$448.6m) equity injection to meet expansion costs, but the Government, which cannot afford this amount, has yet to grasp the privatisation nettle.

Also, the group has had difficulty recruiting skilled maintenance engineers, and has lost money due to a disruptive air traffic controllers' dispute. In a brief statement, the directors of Qantas said that Mr Menadue's contract had been "terminated by agreement prior to its expiration, notwithstanding his desire to continue to serve out the term of his contract." The break marks the climax of a dispute arising from the

Government's decision last year to make several government entities including Qantas operate more as commercial enterprises. Under the policy, private sector-style salaries could be paid only for executive jobs which are vacated and re-advertised. Mr Menadue was apparently ready to leave his job because of mounting conflict with the board. But the news of the salary policy leaked before the matter was settled. In the ensuing confusion, the board denied that Mr Menadue had resigned, while Mr Menadue said the board should defer the pay question and tackle the privatisation and borrowing issues.

Mr James Strong, Mr Menadue's counterpart at the domestic Australian Airlines, resigned from his job this year, re-applied, but then decided to take up another job. He has since called the policy on executive pay unnecessarily cumbersome.

Shake-up of Japanese food retail sector likely

By Ian Rodger in Tokyo

A SHAKE-UP of Japan's overcrowded food retailing sector looks likely, after the Tokyo district court yesterday granted an injunction to block a share-exchange plan by two supermarket operators.

The chains were aiming to defend themselves against an unwanted takeover bid. The judgment could also become a landmark in Japanese corporate finance practice, which would make it easier for outside interests - including foreign companies - to penetrate the tight shareholding arrangements that up to now have protected Japanese companies from hostile takeover bids.

The case arose as a result of Shuwa, a fast-growing private Japanese property and supermarket group, acquiring significant minority share stakes in four family-owned supermarket operators over the last year and a half. Two weeks ago, two of these companies, Chujitsuya and Inageya, announced a plan to protect themselves from Shuwa. Under the scheme, each would sell the other large quantities of its shares at deeply discounted prices.

Shuwa responded by seeking an injunction from the Tokyo district court to prevent the share exchanges - on the ground that the terms were prejudicial to the two companies' other shareholders and therefore a violation of the commercial code.

The Chujitsuya shares were being offered at about a fifth of current market prices, while the Inageya shares were being offered at about a third of their market price. Mr Kazuo Yamaguchi, the presiding judge, accepted Shuwa's argument, saying that the proposed issue prices of the shares were so much lower than market prices that they amounted to illegal favours. He observed that the two companies were not so weak that they were in desperate need of capital injections and said that they should have called shareholders' meetings.

Mr Shigeru Kobayashi, president of Shuwa, said at a press conference that this was "an epoch-making decision" and would help reduce foreign criticism of the difficulties in gaining access to management stakes in Japanese companies.

Mr Kobayashi, speaking at a press conference in Tokyo, said Shuwa would seek a negotiated settlement with Chujitsuya and Inageya and would continue to pursue its plan for a big re-organisation of the food retailing industry. If the two companies remained unfriendly, Shuwa might take up offers of assistance from top executives of Daiei and Ito-Yokado, two larger supermarket operators.

Chujitsuya and Inageya said in a joint statement that they would not appeal against the court judgment. They would withdraw their plans for a capital exchange but would continue to do their utmost to block Shuwa's plan for merging them and two other companies to form a large supermarket group. Last week the two announced a plan to set up a fresh-food purchasing joint venture, and they have been studying other joint projects.

Leaked Packer data reveal A\$3bn empire

**MR KERRY PACKER**, the Australian businessman involved in the £1.3bn (US\$2.1bn) bid for BAT Industries - the British tobacco-based conglomerate - presides over a media, resources and property empire with assets of more than A\$3bn (US\$2.2bn) and annual pre-tax profits of around A\$300m, according to figures leaked this week, writes Chris Sherwell.

Figures for Consolidated Press Holdings, his privately-owned flagship, show that the group's assets stand at A\$3.1bn with liabilities at A\$2.2bn, leaving shareholders' funds of almost A\$900m. The figures, part of a background paper prepared by the company, were leaked to the local press. In the year 1987-88, profit before tax and extraordinary items was said to be around A\$300m, but was expected to be slightly lower in the year just ended. Net borrowings for the year were put at more than

A\$1.6bn. Six years ago, when Mr Packer took the group private, Consolidated Press Holdings had total assets of less than A\$550m and a pre-tax profit of under A\$17m. The group's principal interests include more than 50 magazine titles and one of the largest US media inserts companies. Each has a turnover of around A\$500m. Other interests include: Chemplex, formerly Monsanto Australia, which produces styrene; the 49

per cent-owned Muswellbrook resources group; and an array of property assets. Mr Packer hit the international spotlight when he sold his television and radio interests to Mr Alan Bond, the Perth financier, for A\$1.05bn in early 1987. In his assault on BAT, he has teamed with Sir James Goldsmith - a long-time friend - and Mr Jacob Rothschild as part of a strategy to diversify across many economies and currencies.

Banks end Hooker Corp debt moratorium

**HOOKER CORPORATION**, a financially troubled Australian property and retail company with US interests, said yesterday that a group of bankers had terminated a four-month moratorium on its debt, AP-DJ reports from Sydney. Under the moratorium, Hooker was not repaying principal on its debt, and the banks had agreed to renew maturing credit facilities when they fell due.

The moratorium was signed on July 7 and was to have ended on October 31. Hooker said in a statement that one of the provisions of the moratorium was that the banks would provide bridging finance to enable the company to continue operating while it sold assets to raise cash. "To date the banks have declined to make any such funds available," it said. A task force of the banks

yesterday "advised the board that they had terminated the moratorium." Hooker is taking legal advice on the banks' refusal to provide funds and on the purported termination of the moratorium. The statement added: "Preliminary advice is that the banks have not acted in accordance with their obligations under the moratorium." It added that its board "will

be doing everything in its power to protect the interests of all those associated with the group." Neither Hooker nor its banks explained why the moratorium was ended, and the banks did not say whether they planned any immediate moves on their loans. Hooker's assets totalled A\$2.45bn (US\$1.88bn) and liabilities A\$1.93bn at March 31. Its bank debt totals A\$1.6bn.

Molson provides A\$150m to keep Elders secure

**MOLSON COMPANIES**, the Canadian brewer, is committing up to A\$150m (US\$112.1m) to a plan to secure the hold of the existing management on Elders K.L., the Australian beer and investment company with which it is combining its brewing interests.

Molson said it would invest the funds in equity and long-term debt financing at Harlin Holdings, a private company through which Mr John Elliott, Elders chairman, and his executives hold nearly a quarter of the Melbourne-based producer of Foster's lager. Harlin plans to make a A\$5.5bn general offer for Elders shares, pitched at A\$3 per share. The closing price yesterday was A\$2.97.

Mr Elliott expects to secure only a minority of the public shareholding in Elders through the bid. It is being made largely to facilitate a deal under which Harlin is underwriting a disbursement of the 18 per cent tranche of Elders held by Pettito, a joint venture between AFP Group and Goodman Fielder Wattle. Molson said that if all funds were used, its interest in Harlin would be 5.5 per cent.

Hongkong and Shanghai Banking Corporation is leading the debt financing and may also take equity. Citicorp, Prudential Bache Interfunding and Cie Financiere de Suez were also named as willing to provide Harlin debt or equity.

Underground investment house makes assets public

FOR THE first time, Taiwan's second largest underground investment house has made its assets public and offered a glimpse into the country's lucrative black economy. Reuters reports from Taipei. Officials of the Fortune Group, like other underground houses squirming under a new banking law that restricts their activities, said that the company was opening its assets for examination by a standing committee composed of investors.

"We are a legal and honest company, unlike most of the so-called underground investment companies. That is why we are doing this," said Mr Ouyang Shan, a Fortune official. Most of Taiwan's 200 underground investment companies froze cash withdrawals after ponky investors drained their vaults of cash following passage of the banking law on July 11. The law bans unlicensed companies from taking deposits and paying interest, practices which have earned the underground firms billions of dollars and catapulted them into the top league of Taiwan business. According to a company statement, Fortune is now worth NT\$57bn (US\$2.2bn), of which NT\$40bn was directly invested by depositors. "This [Fortune's assets] shows there is no cash-flow problem," Mr Ouyang said, adding that the investors' com-

mittee would ask outside accountants and lawyers to review the ledgers. The company did not make its debts public. The publication has given a glimpse of a high-flying world shrouded in secrecy and tax, accounting and securities laws were flouted. Fortune's assets include factories, office buildings, a charter airline, a string of deluxe restaurants, a Hong Kong hotel, a popular Taipei discotheque, tracts of land in Taiwan and Bangkok and a lumber processing plant in Fiji. Other underground companies, including the massive Hung Yuan Group, have not followed Fortune's lead so far. Hung Yuan has said it will make a full report to its investors once all its documents have been put in order. Company officials say this will take at least two months. Taiwan's Central Bank yesterday announced that a government credit squeeze succeeded in reducing the annual growth of M-1B money supply in June to 7.6 per cent, seasonally adjusted, John Elliott adds. This is the smallest increase for nearly four years and compares with annual growth figures of over 30 per cent last year. M-1B, which takes in cash in circulation plus deposits in current and savings accounts, amounted to NT\$1,849.7bn at the end of June.

This announcement appears as a matter of record only.

June 1989

SMURFIT INTERNATIONAL B.V.



Member of Johnson Service Group of Companies

US\$150,000,000 TERM LOAN FACILITY

Arranged by: Chemical Bank

Lead Managed by: Algemene Bank Nederland (Ireland) Limited, Barclays Bank PLC, Credit Suisse, Rabobank Nederland, London Branch, The Sanwa Bank, Limited

Managed by: Chemical Bank, The Bank of Tokyo, Ltd., Banque Nationale de Paris, KB Financial Services (Ireland) Limited, The Sumitomo Bank, Limited, Riyad Bank, London Branch

Agent: Chemical Bank

CHEMICAL INVESTMENT BANK BANKING

These securities having been sold, this advertisement appears as a matter of record only.

Secondary Offering

\$493,513,500



41,126,125 Common Shares

Price: \$12.00 per share

The Common Shares were purchased from Her Majesty in right of Canada.

\$96,000,000

8,000,000 Common Shares have been purchased for distribution internationally by:

- |   |  |
|---|--|
| RBC Dominion Securities International     | Wood Gundy Inc.                        |
| Credit Suisse First Boston Limited        | Deutsche Bank Capital Markets Limited  |
| Morgan Stanley International              |  |
| Swiss Bank Corporation Investment Banking | S.G. Warburg Securities                |
| Banque Bruxelles Lambert S.A.             | BNP Capital Markets Limited            |
| Burns Fry Limited                         |  |
| Goldman Sachs International Limited       | Nesbitt Thomson Deacon Inc.            |
| Nomura International                      |  |
| N.M. Rothschild & Sons Limited            | Salomon Brothers International Limited |
| ScotiaMcLeod Inc.                         |  |

\$397,513,500

33,126,125 Common Shares have been purchased for distribution in Canada by:

- |   |                             |
|---|-----------------------------|
| RBC Dominion Securities Inc.              | Wood Gundy Inc.             |
| ScotiaMcLeod Inc.                         | Nesbitt Thomson Deacon Ltd. |
| Richardson Greenshields of Canada Limited |                             |
| Burns Fry Limited                         | Merrill Lynch Canada Inc.   |
| Lévesque Beaubien Geoffrion Inc.          | Gordon Capital Corporation  |

July 1989

# More Power from Ideas.

Ideas are the driving force behind every successful merger and acquisition. And the power of an idea is never put to a greater test than in a challenging market like the first half of 1989. In this environment, clients rely on both innovation and performance. Consistent performance.

To generate results you need a team with a full complement of key resources. Brains. Experience. Persistence. And capital.

First Boston and Credit Suisse First Boston have that team with over 190 professionals dedicated exclusively to serving M&A clients. Worldwide.

We have worked for companies in every major industry in every significant M&A area. Often this has required First Boston or Credit Suisse First Boston to arrange the financing or commit substantial amounts of our own capital. We're ready to make

these commitments because we know that they can be the difference between an attempt and a transaction. And that is our job. To help clients develop ideas into results. Successful results like the ones on these three pages.

## First Half 1989 Results\*

- First in number of global transactions completed.
- First in number of U.S. transactions completed.
- First in number of cross-border transactions completed.
- First in number of transactions completed over \$100 million.
- First in number of transactions completed over \$1 billion.
- First in number of successful takeover defenses.

\*Source: Securities Data Company

CS First Boston Client

Description of Transaction

Approximate Size of Transaction

## Acquisitions

CS First Boston Client	Description of Transaction	Approximate Size of Transaction
Adams Publishing Acquisition Corp.	Acquisition of Trailer Life Group from American Bakeries Company	\$ 138,000,000
Arkla, Inc.	Acquisition of Louisiana Intrastate Gas Corp. from a group of Private Investors	180,000,000
Australian Capital Equity (USA), Inc.	Acquisition of ProGroup, Inc. (Pending)	44,000,000
Canada Malting Co. Limited	Acquisition of Great Western Malting Company from Penwest, Ltd.	125,000,000
Central Co-operative Bank	Merger for Cash with Somerset Bankshares Inc. (Pending)	38,000,000
Cipher Data Products, Inc.	Cash Tender Offer for Irwin Magnetic Systems, Inc.	76,000,000
Consolidated Freightways, Inc.	Cash Tender Offer for Emery Air Freight Corporation	230,000,000
Consolidated Natural Gas Company	Joint Acquisition of Mark Producing, Inc. with Japex (U.S.) Corp. from Veba Oil AG (Pending)	245,000,000
Consolidated Natural Gas Company	Acquisition of Virginia Natural Gas from Dominion Resources Inc.	160,000,000
Constellation Bancorp	Merger for Common Stock with New Brunswick Savings Bank	50,000,000
Costain Group PLC	Acquisition of Pyro Energy Corp. (Pending)	193,000,000
Electrolux Corporation	Acquisition of the Operating Assets of The Regina Company, Inc.	65,000,000
Encore Computer Corporation	Acquisition of Computer Systems Division from Gould Inc. (Pending)	148,000,000
FB Briggs, a new Corporation organized by First Boston Investments, Inc. and Management	Leveraged Buyout from J.P. Industries, Inc., with First Boston, First Boston Mezzanine Investment Partnership and Management as Investors	76,000,000
First Financial Management Corporation	Acquisition of Georgia Federal Bank, FSB from Fuqua Industries, Inc.	242,000,000
First Security Corporation	Merger for Cash with Twin Falls Bank & Trust Company (Pending)	Not disclosed
GP Group Acquisition Corporation, a New Corporation formed by Boston Ventures Limited Partnership III and IIIA and Macfadden Holdings, Inc.	Acquisition of GP Group, Inc.	412,000,000
Georgia US Corp., a subsidiary of Nationale-Nederlanden NV	Acquisition of Southland Life Insurance Company from The Franklin Life Insurance Company, a subsidiary of American Brands, Inc.	433,000,000
Gibbons, Green, van Amerongen, L.P.	Cash Tender Offer for The Ohio Mattress Company	941,000,000
IMA Holding Corp., a new Corporation organized by First Boston Investments, Inc. and GKH Partners, L.P.	Leveraged Buyout of American Medical International, Inc. (Pending)	1,952,000,000
Imperial Oil Ltd.	Cash Tender Offer for Texaco Canada Inc.	4,150,000,000
Kaufman & Broad, Inc.	Acquisition of Annuity Operations of Commercial Life Insurance Company from The Continental Corporation	65,000,000
Kawasaki Steel Corporation	Purchase of 40% Interest in Armco Steel Company, L.P., a limited partnership with Armco Inc., to own and operate Armco's former Eastern Steel Division	350,000,000

## First Half 1989 Results (Continued)

CS First Boston Client	Description of Transaction	Approximate Size of Transaction
King Videocable Company	Acquisition of Suburban Cablevision Company from Hauser Communications, Inc. (Pending)	Not disclosed
M/A-COM, Inc.	Acquisition of Adams-Russell, Inc. (Pending)	\$ 80,000,000
Miles Inc., a subsidiary of Bayer USA Inc.	Acquisition of Cooper Technicon, Inc. from Cooper Companies, Inc.	187,000,000
Naamloze Vennootschap DSM	Acquisition of Copolymer Rubber & Chemical Corporation from Mark IV Industries, Inc.	250,000,000
National Westminster Bancorp Inc.	Merger for Cash with Ultra Bancorporation (Pending)	282,000,000
Océ-van der Grinten N.V.	Acquisition of Graphics Division from Schlumberger Limited (Pending)	Not disclosed
Outlet Communications, Inc.	Merger for Cash and Securities with Atlin Communications, Inc.	Not disclosed
PacifiCorp	Merger for Common Stock with Utah Power & Light Company	1,900,000,000
QFB Partners, a Joint Venture of Quantum Chemical Corporation and First Boston Investments, Inc.	Leveraged Buyout of Petrolane Incorporated and Petrolane Partners, L.P. (Pending)	1,180,000,000
SCEcorp	Merger for Common Stock with San Diego Gas & Electric Company (Pending)	2,560,000,000
SGS-Thomson Microelectronics B.V.	Acquisition of INMOS Ltd. and Semiconductor Assets from Thorn EMI North America, Inc.	Not disclosed
STC PLC	Cash Tender Offer for Computer Consoles, Inc.	168,000,000
Sage Acquisition Corporation	Acquisition of Remaining 31.1% Equity Interest in Sage Energy Company	20,000,000
The Charles Schwab Corporation	Acquisition of Rose & Co. Investment Brokers Inc. from The Chase Manhattan Corporation	37,000,000
Society Corp.	Merger for Common Stock with Trustcorp, Inc. (Pending)	503,000,000
Stone Container Corporation	Cash Tender Offer for Consolidated-Bathurst Inc.	2,200,000,000
Sumitomo Metal Industries, Ltd.	Purchase of Equity Interest in Lam Research Corp.	5,000,000
Swiss Air Transport Company Ltd.	Acquisition of 5% Equity Interest in Delta Air Lines, Inc. (Pending)	193,000,000
Tokio Marine & Fire Insurance Company	Acquisition of 40% Equity Interest in First Insurance Company of Hawaii from The Continental Corporation	28,000,000
UNUM Corporation	Acquisition of Commercial Life Insurance Company from The Continental Corporation	179,000,000
WCI Holdings Corporation	Cash Tender Offer/Merger for Preferred Stock for Wickes Companies, Inc.	538,000,000

## Corporate Sales and Divestitures

ADVANTA Corp.	Divestiture of Selected Assets of Colonial Credit Card Trust 1988-A to Household Bank, N.A.	Not disclosed
Adiainvest S.A.	Sale of Company to Inspectorate International Ltd.	Not disclosed
Aetna Life and Casualty Company	Divestiture of Aetna Life and Casualty Ltd. to Prudential Corporation PLC	\$ 94,000,000
American General Corporation	Divestiture of Maryland Casualty Company to Zurich Insurance Company	740,000,000
American Standard, Inc.	Divestiture of The Fluid Powers Product Group to Mannesmann AG	Not disclosed
American Standard, Inc.	Divestiture of Steelcraft Division to Masco Industries, Inc.	Not disclosed
Arkansas Best Corporation	Divestiture of Riverside Furniture Corporation to an affiliate of McKane Robbins & Co.	Not disclosed
BMA Corporation	Divestiture of KDVR-TV Denver (CO) to Chase Communications Inc. (Pending)	12,000,000
Baker Hughes Incorporated	Divestiture of Mining Equipment Group to OY Tampella AB (Pending)	Not disclosed
Bank of Delaware Corporation	Merger for Common Stock with PNC Financial Corporation	230,000,000
Barry Wright Corporation	Sale of Company to Applied Power Inc.	125,000,000
Becton, Dickinson and Company	Divestiture of Edmont Division to Pacific Dunlop Ltd.	228,000,000
H.N. and Frances C. Berger Foundation	Sale of Sacramento Savings and Loan Association to Alleghany Corporation (Pending)	150,000,000
CIS Corporation	Divestiture of Canadian operations to Manufacturer Finance Programs Ltd. (Pending)	18,000,000
CPG International, Inc.	Sale of Company to Charterhouse Group International, Inc.	75,000,000
CS First Boston Inc.	Sale of 10% Equity Interest to Metropolitan Life Insurance Company	Not disclosed
CSX Corporation	Divestiture of Texas Gas Transmission Corp. to Fransco Energy Company	571,000,000
Camellia City Telecasters, Inc., a wholly-owned subsidiary of BMA Corporation	Divestiture of assets of KTXL-TV Sacramento (CA) to Renaissance Communications Corp.	56,000,000
Campeau Corporation	Divestiture of Ann Taylor, Inc., a subsidiary of Allied Stores Corporation, to Ann Taylor Holdings, Inc.	430,000,000
Campeau Corporation	Divestiture of The Children's Place Retail Stores, Inc., a subsidiary of Federated Department Stores, Inc., to TCP Acquisition Corp.	26,000,000
The Cherokee Group	Sale of Company to Green Acquisition Co.	171,000,000
Control Data Corporation	Divestiture of Imprimis Technology Inc. to Seagate Technology Inc. (Pending)	450,000,000
C3, Inc.	Sale of Company to Knoll Capital Management	127,000,000
The E.W. Scripps Company	Divestiture of The Sun-Tattler to DTH Media, Inc.	Not disclosed
Elders IXL Ltd.	Sale of Company to Harlin Holdings Pty. Ltd. (Pending)	4,200,000,000
Empire of America Federal Savings Bank	Divestiture of Credit Card Portfolio to Citibank (South Dakota), N.A.	Not disclosed
Fairchild Industries, Inc.	Sale of Company to Banner Industries, Inc.	275,000,000
Fairchild Industries, Inc.	Divestiture of Fairchild Industrial Products Co. to Investor Group including Management	Not disclosed
Falstaff Brewing Corp.	Sale of Company to S&P Company	79,000,000
Federal Savings Bank of Puerto Rico	Merger for Cash with Banco Santander Puerto Rico	100,000,000
First Brands Corporation	Divestiture of European Household Products Operations to The Dow Chemical Company	Not disclosed
GAF Corporation	Sale of Company to Management Group led by Samuel J. Heyman	1,574,000,000
General Cinema Corporation	Divestiture of General Cinema Beverages, Inc. to PepsiCo, Inc.	1,750,000,000
Grumbacher, Inc.	Sale of Company to Empire Berol Corporation	14,000,000
F Hoffmann-La Roche & Co. Limited Company	Divestiture of Kontron Electronics to BMW Intec Beteiligungs GmbH (BMW AG)	Not disclosed
F Hoffmann-La Roche & Co. Limited Company	Divestiture of Kontron Instruments to an Investor Group organized by Baring Capital Investors	Not disclosed
Horizon Bancorp	Sale of Company to Chemical Bank Corporation	465,000,000
Kollmorgen Corporation	Sale of Company to Vernitron Corporation (Pending)	297,000,000
Louisiana Land & Exploration	Divestiture of certain oil and gas properties to Various Buyers (Pending)	Not disclosed
M/A-COM, Inc.	Divestiture of Government Systems Division to an Investor Group (Pending)	71,000,000
Maxus Energy Corporation	Divestiture of Maxus Energy Canada Ltd. to Kerr-McGee Corporation	142,000,000
Meritor Savings Bank	Divestiture of Meritor Mortgage Corporation-West to Mortgage Servicing Trust	Not disclosed
Meritor Savings Bank	Divestiture of Meritor Credit Card Operation to The Chase Manhattan Bank (USA), N.A.	Not disclosed
Meritor Savings Bank	Divestiture of Meritor Credit Corporation to Ford Motor Credit Company	Not disclosed
NWA Inc.	Sale of Company to Wings Holdings Inc. (Pending)	3,600,000,000

CS First Boston Client	Description of Transaction	Approximate Size of Transaction
New England Life Insurance Company and Guardian Royal Exchange Assurance plc	Divestiture of 51% Equity Interest in Connecticut National Life Insurance Company (Pending)	Not disclosed
The New York Times Company	Divestiture of NYT Cable to Garden State Cablevision, L.P. (Pending)	\$ 420,000,000
Normick Perron Inc.	Sale of Company to Noranda Forest Inc. (Pending)	100,000,000
PPG Industries, Inc.	Divestiture of PPG's 50% Equity Interest in Fiberglas Canada Inc. to Manson Insulation Inc. (Pending)	200,000,000
Pegasus Broadcasting, Inc.	Divestiture of WTVM-TV Columbus (GA) to American Family Broadcasting Group	45,000,000
The Pillsbury Company	Sale of Company to Grand Metropolitan PLC	5,574,000,000
Prime Computer, Inc.	Sale of Company to DR Holdings Inc., a subsidiary of J.H. Whitney & Company (Pending)	1,497,000,000
Quantum Chemical Corporation	Divestiture of Emery Division to Henkel Corporation	480,000,000
Ransburg Corporation	Sale of Company to Illinois Tool Works, Inc.	177,000,000
Ransburg Corporation	Divestiture of Maschinenfabrik GmbH to Matuschka Group	Not disclosed
Republic American Corporation	Merger for Cash with Penn Central Corporation	290,000,000
Rock Island Refining Company	Merger for Cash with Marathon Petroleum Company	Not disclosed
Security Pacific Corp.	Sale of 5% Equity Interest in Consumer and Commercial Services Groups of Security Pacific Financial Services System, Inc. to Mitsui Bank Ltd. (Pending)	100,000,000
Sound Warehouse Inc.	Merger for Cash with Shamrock Holdings, Inc.	133,000,000
Swiss Air Transport Company Ltd.	Sale of 5% Equity Interest to Delta Air Lines, Inc. (Pending)	Not disclosed
TW Services, Inc.	Sale of Company to SWT Associates, L.P. (Pending)	1,690,000,000
Tenneco, Inc.	Sale of Tenneco Oil Company and certain related businesses to Various Purchasers	7,300,000,000
Texas Eastern Corporation	Sale of Company to Panhandle Eastern Corporation	3,223,000,000
Texas Eastern Corporation	Divestiture of North Sea Oil and Gas Assets to Enterprise Oil PLC (Pending)	1,400,000,000
Texas Eastern Corporation	Divestiture of 50% interest in Eastman Christensen to Norton Company	115,000,000
Tiger International, Inc.	Sale of Company to Federal Express Corporation	852,000,000
Travelers Corporation	Divestiture of Keystone Provident Life Insurance Company to Liberty Mutual Insurance Company	Not disclosed
WCI Holdings Corporation	Divestiture of Wickes Furniture, a Division of Wickes Companies, Inc., to WIXF Corp., a Company organized by Kelso & Company, Management and certain Institutional Investors	158,000,000
WCI Holdings Corporation	Divestiture of Orchard Supply Hardware, a Division of Wickes Companies, Inc., to OSH Acquisition Corporation, a Company formed by Management and Freeman Spogli & Co.	134,000,000
Wardair Inc.	Sale of Company to PWA Corporation	207,000,000
WestMarc Communications, Inc. Shareholders	Merger for Cash and Securities of remaining 25% interest with Tele-Communications, Inc.	202,000,000

### Restructurings, Takeover Defenses and Other Advisory Services

Affiliated Publications, Inc.	Spinoff of API Print Corporation/Merger for Common Stock with McCaw Cellular Communications	\$ 2,898,000,000
Alco Standard Corporation	Advice with respect to the sale of its Equity Interest in Alco Health Services Corporation to AHSC Holdings Corporation (Pending)	525,000,000
BHC, Inc., a subsidiary of Chris-Craft Industries, Inc.	Advice with respect to its Equity Interest in Warner Communications, Inc., regarding Time Incorporated's Tender Offer (Pending)	14,109,000,000
The Citizens and Southern Corporation	Advice with respect to offer from NCNB Corporation	2,401,000,000
Committee of Dalkon Shield Claimants	Advisors to Claimants in American Home Products Corporation's acquisition of A.H. Robins Company, Inc. (Pending)	3,300,000,000
Consolidated Gold Fields PLC	Advice with respect to offers from Minorco S.A. (offer lapsed) and Hanson PLC	5,400,000,000
Ekco Group, Inc.	Repurchase of 8.6% Equity Interest from Sonar Partners	5,000,000
Ethyl Corporation	Spinoff of Aluminum, Energy and Plastics Businesses	175,000,000
Fairchild Industries, Inc.	Repurchase of 25% Equity Interest from Quantum Fund, N.V. and Certain Affiliated Investors	75,000,000
Her Majesty the Queen in Right of New Zealand	Privatization of Air New Zealand Limited acquired by a consortium comprised of Brierley Investments Limited, Qantas Airways Limited, AMR Corp. and Japan Air Lines Co. Ltd.	420,000,000
Hercules, Inc.	Advice with respect to purchase of remaining interest in Aqualon Group	210,000,000
Kaufman & Broad, Inc.	Restructuring/Spin-off of Kaufman & Broad Home Corp.	300,000,000
Lockheed Corporation	Restructuring (Pending)	Not disclosed
Madison Gas & Electric Company	Advice with respect to offer from WPL Holdings, Inc.	280,000,000
McBain, Rose Partners	Recapitalization of Flexible Technologies	Not disclosed
Public Service Company of New Hampshire	Restructuring (Pending)	Not disclosed
Quantum Chemical Corporation	Recapitalization involving payment of special dividend	1,150,000,000
Recognition Equipment	Advice with respect to offer from Prospect Group (Pending)	112,000,000
Tyler Corporation	Fairness Opinion with Respect to the Sale of Reliance Universal, Inc. to Akzo N.V. (Pending)	265,000,000
UAL Corporation	Sale of 49.5% Equity Interest in the Covia Partnership to Alitalia, British Airways, KLM Royal Dutch Airlines, Swissair and USAir, Inc.	500,000,000
Union Pacific Corporation	Participation as an Equity Investor in a Company organized by Blackstone Capital Partners L.P. and other Investors to acquire CNW Corporation (Pending)	933,000,000
Wesray Capital Corporation	Sale of Avis, Inc. Preferred Stock to Avis on behalf of Employee Stock Ownership Plan	Not disclosed
Wesray Capital Corporation	Sale of Equity Interest in Simmons Bedding to Employee Stock Ownership Plan	Not disclosed

# First Ideas, Then Results.



FIRST BOSTON GROUP





UK COMPANY NEWS

£50m disposal reflects strategy of concentrating on core businesses S&N sells British Tissues stake

By John Riddling

SMITH & NEPHEW, the healthcare and consumer products group, is to sell its 50 per cent stake in British Tissues to Nokia, Finland's largest private sector company, for £50m.

The British Tissues' four founders and increased its stake to 50 per cent in June 1980. Since 1973, Nokia has gradually built up its 50 per cent stake and the company as a whole represents about half of its paper industry assets.

company which includes its own paper operations and 20 per cent of the other new company, analysts believe that the disposal reflects its strategy of concentrating on its core medical and healthcare businesses.

and that this would require heavy investment. For this reason the company felt it best to find partners.

Ward White forecasts attacked by Boots

By Vanessa Houldier

BOOTS HAS questioned the foundations of the profits forecast made by Ward White, the retailer for which it is making a £200m bid.

Red Funnel fires broadside at Sally's 'management failure'

By Andrew Hill

RED FUNNEL Group, the ferry line which plies between Southampton and the Isle of Wight, yesterday accused Sally UK Holdings of spectacular management failure and a "lack of strategic vision".

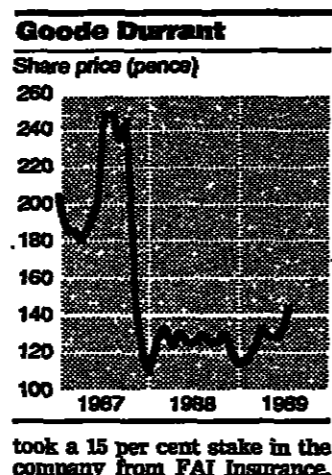
market for all types of Channel crossing. Sally's rivals, Sealink British Ferries and P&O European Ferries, want to run a joint ferry service on their Channel routes.

All-round improvement at Goode Durrant

By Ray Bashford

GOODE DURRANT, the industrial and financial management company which is facing hostility from its largest shareholder, boosted pre-tax profits 19 per cent in the year to April 30.

The chairman said that the company had concentrated its efforts in housebuilding in the north west of England where conditions had remained buoyant and insulated from the downturn in the south east.



the Australian group headed by Mr Larry Adler. Goode Durrant last week rejected a request from the family for two seats on the board and Mr Warring was yesterday clearly concerned about the intentions of the new shareholder.

Whitbread to retain both its brewing and pub sides

By Lisa Wood

WHITBREAD, the UK brewing and retailing group, intends to remain in its two core businesses in the UK and overseas, Mr Sam Whitbread, the group's chairman, said yesterday.

Grand Metropolitan to consider selling up to 22,000 pubs. Some brewers however warned they would have sold their breweries rather than their pubs.

Shares in DRG, the Sellotape and Bandaid paper and packaging group, rose 23p to close at 562p as speculation about a possible takeover bid circulated in the stock market yesterday.

Sleepy Kids placing

Sleepy Kids is joining the Third Market with a £1.4m placing which will finance the production of a children's television cartoon series.

Abbey offers to replace lost certificates

By Clare Pearson

ADVERTISEMENTS offering to send replacements to Abbey National members who have still not received their share certificates through the post are appearing this morning in the Financial Times and the other national newspapers.

become about losing the goodwill of its customers through hitches in the delivery of certificates and refund cheques.

they can cut out of the newspaper and send to the Abbey to apply for certificates and cheque refunds, subject to an undertaking to return any such items that have already been sent to them and eventually turn up in the post.

Conder makes £11m agreed US offer

Conder Group, the construction company, has made an offer to acquire Beaman Corporation, a US maker of pre-fabricated buildings and structures, for \$17.7m (£10.8m) in cash.

Newgateway increases interest

Newgateway, the unsuccessful bidder in the £20m battle for control of Gateway, yesterday announced that its holding in the UK food retailer has edged up to 39.9 per cent.

board, Newgateway is keeping its offer open. The closing date has been extended to August 7, but could be extended again thereafter.

DRG shares up 22p on bid speculation

By Maggie Urry

Shares in DRG, the Sellotape and Bandaid paper and packaging group, rose 23p to close at 562p as speculation about a possible takeover bid circulated in the stock market yesterday.

Mr Moger Woolley, DRG's chief executive, said yesterday he knew nothing about a potential bid for the group or of any increase in the stakes held by Pembroke Investments, the vehicle of Mr Roland Franklin, a US-based investor, which has 10.8 per cent of DRG's equity, or Mr David Rowland, another investor, who has 3 per cent.

GOODE DURRANT PLC advertisement featuring a large arrow graphic and financial performance data. Text includes: 'Group operating profit up 97% for another successful year at Goode Durrant', 'Michael Waring Chairman', and a table of turnover and profit figures for 1988 and 1989.

Table titled 'DIVIDENDS ANNOUNCED' with columns for Company Name, Current payment, Date of payment, Corres dividend year, Total for year, and Total last year.

A considerable prize in sight David Barchard poses the likelihood of George Younger becoming Royal Bank's chairman

THOUGH IT has not yet been formally announced that George Younger, who resigned on Monday as Defence Secretary, is to become the next chairman of the Royal Bank of Scotland, his eventual succession seems virtually assured.



George Younger has accepted an invitation to join the board as a future Foreign Secretary and was not among those ministers in danger of being unwillingly discarded by the prime minister in the recent reshuffle.

Murray Smaller

Net assets per share of Murray Smaller Markets Trust at the year ended May 31 increased from 180.4p to 261.9p and the proposed final dividend of 2p (1.45p) makes an improved total for the year of 2.65p (2p).

BOARD MEETINGS

Table listing board meetings for various companies including EIS, Inland Frozen Foods, and others, with columns for Date and Location.

Advertisement for Bristol & West Building Society, featuring a logo and text: '£100,000,000 Floating Rate Notes 1992'.

Advertisement for EMESS plc, featuring a logo and text: 'The ordinary shares are listed on the Frankfurt Stock Exchange as from 13th July, 1989. The listing has been sponsored by COMMERZBANK'.

Advertisement for BHP, featuring a logo and text: 'The Broken Hill Proprietary Company Limited gives notice that at 2.30 pm at the Hyatt on Collins Hotel, Melbourne on Tuesday, 28th September 1989 there will be a general meeting of shareholders at which there will be an election of Directors.'



UK COMPANY NEWS

Brierley facing strong opposition to Molins bid

By Ray Bashford

SIR RON Brierley, the New Zealand businessman, is likely to meet strong institutional opposition to his £26.5m offer for Molins, the cigarette machinery maker.

John Wood 82% lower as house sales show downturn

By Clare Pearson

PRE-TAX profits of John D Wood fell by 82 per cent from £1.6m to £237,000 in the year to end-April after the upmarket London and country residential estate agent fell into loss during the second half.

Martell compensation lifts Matthew Clark

By Vanessa Houliher

MATTHEW CLARK and Sons (Holdings), the wines and spirits distributor, yesterday announced an 8.8 per cent increase in pre-tax profits from £7.72m to £8.41m for the year to April 30.



no profit contribution. Earnings per share rose by 18.1 per cent to 44.4p (37.6p). A final dividend of 7.5p (6.5p) was proposed, making 13p (11p) in total.

Menvier breaks into French market with £9.6m purchase

By Andrew Hill

MENVIER-SWAIN Group, the USM-quoted emergency lighting and fire alarm company, has moved into the French market through the FFR 100m (£9.6m) purchase of another emergency lighting group.

COMMENT

Menvier's directors are justifiably rather proud of breaking into the French emergency lighting market, which is dominated by two much larger companies, Luminox, in third position, claims about 12 per cent. Overseas contributions could eventually surpass domestic profits at Menvier, the UK's largest manufacturer of emergency lighting.

Sheafbank Trust plans bank expansion

By Ian Hamilton Fozzy, Northern Correspondent

SHEAFBANK Property Trust yesterday announced pre-tax profits more than trebled from £25,068 to £294,027 and the formation of a joint venture to buy Manchester Exchange and Investment Bank, a small, fully-authorised bank operating mainly in the English regions.

through Schlesinger Holdings, a wholly-owned subsidiary. The parent will be half-owned by Sheafbank, with a 30 per cent share for Allied-Lyons and the rest divided between the other funds.

Hughes Food drops to £3.9m

By Edward Sussman

HUGHES FOOD Group blamed difficult trading in its food processing division and high interest rates for a 22 per cent decline in pre-tax profits from £5.1m to £3.9m in the year to April 30.

and a £1.1m payout to maintain the dividend at 4.5p. It after a £83m extraordinary charge for reorganisation costs, £29,000 (£1.6m) in tax.

Mosaic surges to £2.43m and agrees new buy

By John Murrell

MOESIC INVESTMENTS, the acquisitive entrepreneurial management and holding company formerly known as Press Tools, yesterday announced a £2.43m surge in pre-tax profits to £2.43m for the 1988-89 year.

National Home Loans sets up banking subsidiary

By David Barchard

NATIONAL HOME LOANS Holdings, the housing finance group, has set up a banking subsidiary in a move to diversify the group's funding base.

REED INTERNATIONAL Annual General Meeting, 26 July 1989. The Directors of Reed International are concerned that some shareholders may be unable to attend today's Annual General Meeting due to the present rail dispute.

Table titled 'SPONSORED SECURITIES' with columns for High/Low, Company, Price, Change, Div, Yield, and P/E. Lists various companies like An. Intl. Ind. Oilfield, Am. Intl. Ind. Oilfield, etc.

Nestor pays £12m for jobs agency

NESTOR-INA, the nursing agency and operator of nursing homes, yesterday announced that it was to buy Hewitson-Walker, an accountancy recruitment agency, for an initial payment of £12.42m.

Tilbury urges Lilley rejection

TILBURY Group, which is on the receiving end of an unwelcome £128m bid from fellow construction group Lilley, yesterday urged shareholders to reject bid terms contained in an offer document sent earlier this week.

VIDEO MAGIC LEISURE GROUP PLC

PLACING ARRANGED BY RIGGS A P BANK LIMITED AND LAING & CRUICKSHANK OF 3,001,168 Ordinary shares of 1p each at 66p per share to be traded on the Third Market. Video Magic Leisure Group PLC operates a group of video film rental stores.

Radius profits slip midway

Radius, the USM-quoted computer systems and maintenance group, reported a slight reduction in pre-tax profits from £1.05m to £1.02m for the six months ended May 31 1989.

Tinsley Robor advances to £1.65m

After a "pedestrian" second half, pre-tax profits at Tinsley Robor, the packaging and printing group which came to the stock exchange via a placing in July 1988, advanced from £1.58m to £1.65m for the year to March 31.

Modwen doubled to over £4m

Doubled pre-tax profits of £4.17m were announced by St Modwen Properties, the Birmingham-based property development and investment company, for the six months ended May 31 1989.

COMMODITIES AND AGRICULTURE

EC ministers deadlocked over extra milk quotas

By a special correspondent in Brussels

DISAGREEMENTS among EC Agriculture ministers meeting in Brussels last night prevented significant headway on plans to provide extra milk quotas for new entrants, small producers and those in disadvantaged areas.

up with bilateral meetings between ministers and Mr Henri Nallet, the French Agriculture Minister and president of the Council, on plans to revamp the sheepmeat regime and last night ministers were preparing for an all night session on this complex issue.

A 36-page document on the milk quota issue was presented to ministers yesterday afternoon by Mr Ray MacSharry, the Agriculture Commissioner. But, when it became obvious that the differences were widespread, the whole issue was handed over to the special committee on agriculture with the aim of bringing it back to the next council in September.

Tin payout 'as far off as ever'

By Kenneth Gooding, Mining Correspondent

"PERFIDIOUS, pusillanimous, peccant and perverse are inadequate adjectives to describe the behaviour of what should be responsible bodies," says Mr Christopher Green, chairman of the London Metal Exchange, in a typically outspoken attack on the governments represented on the International Tin Council.

FIVE UK law lords yesterday reserved judgment at the end of a six-week hearing of claims arising from the 1985 tin crisis, after hearing appeals by bank and broker creditors of the International Tin Council, reports Reuters.

The court of appeal heard the cases in 1988, when two of the three judges rejected the direct actions and all turned down the receivership application.

His attack coincides this week with a new round of talks between the ITC's working group and creditors who claim they are owed more than \$500m following the 1985 collapse of the ITC's buffer stock. Delegates reported that progress at the meetings so far has been slow. Bank and broker creditors have indicated they would be willing to settle for \$182.5m compared with the \$255m they previously asked for, they said. So far the ITC governments have been prepared to offer no more than \$150m.

Creditors' actions relate to losses incurred when ITC buffer stock operations collapsed in 1985. Solicitors said judgment was unlikely to be given before October or November.

The House of Lords appeals were heard by Lords Keith, Brandon, Templeman, Griffiths and Oliver.

A collective decision of the governments actually to pay seems as far off as ever," comments Mr Green in the Mining Journal's annual review. He suggests that governments responsible for the collapse and default of the ITC "are still wriggling and squirming to avoid their moral, if not legal, obligations."

Referring to the LME's decision to start trading tin again in June, Mr Green suggests it will be some months before turnover builds up to satisfactory levels.

However, he says "in the absence of an ITC it may well be that producers and end users, particularly the important tin plating sector, may be more inclined to use the market now than they were when the ITC was dominant."

Beef scheme 'could give farmers £7.5m more'

By Bridget Bloom, Agriculture Correspondent

BRITAIN'S beef producers could be £7.5m better off if the new support scheme under the European Community's beef regime were differently administered, a parliamentary select committee believes.

According to the Commons select committee on agriculture, tentative estimates suggest that about 15 per cent of animals which should be eligible for the £29.19p a head payment are not receiving it because payment is made at the point of slaughter rather than on the farm.

Most other EC member states pay the special beef premium, which is limited to 90 head of male cattle per holding in any one calendar year, on the farm. However, Britain introduced the scheme only at the point of slaughter for administrative simplicity.

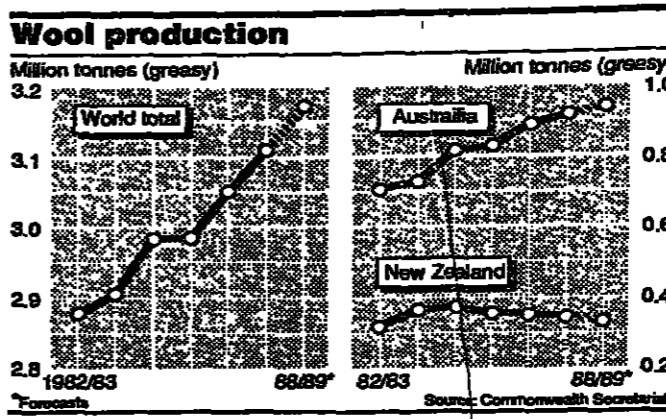
Record exports of Thai rice

THAI RICE exports will rise to at least a record 5.5m tonnes this year from the previous high of 4.7m in 1988, the private Board of Trade said, reports Reuters from Bangkok. The board said in its weekly bulletin that rice had enjoyed continuing brisk foreign demand in the past month.

Australian wool season's poor start

By Chris Sherwell in Sydney

AUSTRALIA'S 1989-90 wool-selling season has got off to a shock start, with the Australian Wool Corporation buying in no less than 40 per cent of the first day's offerings on Monday and 37 per cent yesterday.



The corporation operates a floor price scheme which protects wool growers from the full impact of price fluctuations. But already it is clear that the current floor price of 970 Australian cents per kilogram (clean) is out of line with market conditions.

resources would be consumed. Australian short wool production is projected to rise to almost 940m kg this season, up 6.4 per cent from the 1988-89 figure of just over 880 kg. The main reason is increased sheep numbers, but the actual cut per head is also expected to reach record levels.

Good opening aided by fall in NZ dollar

By Terry Hall in Wellington

THE 1989-90 New Zealand wool season began well last Thursday with the market indicator rising 6 cents to 865 cents at the combined North Island wool sale at Napier.

The wool board's review of the last season says that, thanks to strong demand from China, prices were firm for much of the previous season. This began in July with an indicator of 618 cents, up 18 cents on the previous season.

cent of total annual production. The average price for the season was 688 cents, up 14 per cent from the previous season. The wool board said that a significant feature of the 1988-89 season was the strong demand for fine wool and the increase for these wools was substantially greater than for cross-bred.

accompanying fall in the clip per head, production at 1989-90 is forecast at 550,000 tonnes against a 7 per cent drop from the 1988-89 season's estimated levels.

WEEKLY METALS PRICES

Table listing weekly metal prices for Antimony, Bismuth, Cadmium, Cobalt, Manganese, Molybdenum, and Selenium.

LONDON MARKET STATISTICS

Large table containing various market statistics including LONDON METAL EXCHANGE, POTATOES, SOYABEAN MEAL, and GRAINS.

Russia buys sugar for government food programme

THE SOVIET Union is making urgent purchases of raw and white sugar on the free market to meet its domestic needs under the government food programme, the state purchasing agency, said, yesterday, reports Reuters from Moscow.

prompt delivery last week. "And we are in negotiation for a little more white sugar," he added.

per cent better than last year," he added. "This is not the final figure because everything depends on rain in August. If we have enough, it may be even better."

LONDON MARKETS

Table listing LONDON COFFEE futures, SPICES, and SUGAR prices.

COFFEE & SUGAR

Table listing COFFEE and SUGAR prices with columns for Close, Previous, High/Low.

US MARKETS

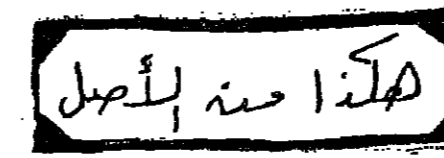
Table listing US MARKETS including CRUDE OIL, HEATING OIL, COCOA, and PLATINUM.

Chicago

Table listing Chicago market statistics including SOYBEANS, SOYABEAN MEAL, and WHEAT.

NEW YORK

Table listing NEW YORK market statistics including GOLD, COPPER, and SILVER.



صحة من العمل

LONDON STOCK EXCHANGE

Equities firm ahead of UK trade data

THE UK equity sector recovered its poise yesterday brushing off early losses to close firmly as traders settled down to await this morning's announcement of the UK trade figures for last month.

Account Dealing Dates
First Dealing: Jul 21 Aug 14
Options Expiry Dates: Jul 27 Aug 19 Aug 31
Last Dealing: Jul 28 Aug 11 Sep 1

the dangers of another hike in domestic interest rates. Yesterday's small dip in the starting exchange rate was shrugged off in the equity market.

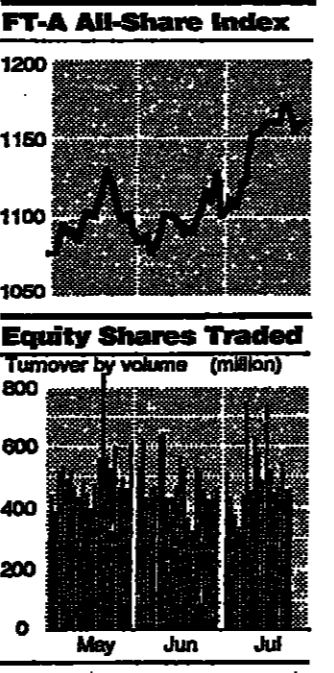
as it waited for Wall Street to open. With the New York market in good form in early trading, London forged further ahead and closed near to the day's best.

Drug stocks, with their international spread of earnings and relatively recession-proof products, present an obvious attraction to managers taking a defensive stance.

Market awaits ICI

A firm performance from ICI ahead of tomorrow's interim report makes wide-ranging and some cautious forecasts from market analysts.

shares reported during the morning. Shell shares settled 2 off at 423p while BP were the same amount easier at 303 3/4p on 3 1/2p.



FT-A All-Share Index
Turnover by volume (million)

Laporte, up 6 at 473p and Allied Colloids, 5 to the good at 161p. Fosco, where a 4.4 per cent stake was revealed by the Scharf brothers last month.

will exceed 30 per cent compound over the next five years. Sir Ron Brierley, the New Zealand financier, cast a long shadow over engineering stocks as Vickers climbed 9 to 238p on talk of a possible approach.

There is 'bearish news on ICI's pharmaceuticals business', according to Oliver Fear and Martin Evans at BZW.

With SmithKline Beckman stockholders due to vote today at a special meeting on the planned merger, shares in Beecham strengthened by 7 to 633p.

which turned a 7-point deficit into a 5-point gain (at 394p) after the company completed the acquisition of a controlling stake in Dutch holiday group Center Parks.

DRG bounced to a peak of 562p, up 22, excited by a story that Mr Roland Franklin was bidding outside the market for 10m shares, or 9 per cent of the company's equity, at 550p.

record sales which exceeded 21m worldwide. Granada began a run, although trade was moderate, amid talk that a securities house was preparing a favourable circular.

There was keen interest in the oil majors as what regarded as poor results from US groups Exxon, Amoco and ARCO, worries about falling petrochemical prices and a slide in North Sea oil prices combined to upset BP and Shell.

These sentiments, however, failed to feed through into the market, and County's leading buy stocks, Allied Lyons, Bass, Grand Metropolitan and Whitbread, all closed little changed.

Other big winners in chemicals included Yorkshire Chemicals which jumped 18 to 385p.

Avon Rubber basked in the success of the rights issue; acceptances of 93.7 per cent were received and Hoare Govett placed the existing yesterday, to end at 557p.

showing interest, these replacing recent gossip of the group being ready to announce a joint European components venture with Sumitomo Electric of Japan.

According to Nomura, 'Shell is expected to produce 250m against 267m last time and BP against 237m; our switch recommendation is based on quality of earnings considerations as well as perceived value, but is also supported technically by the relative narrowness of BP's prospective yield premium.'

Mr Stone bases his buy note on 'Rentokil's strong expansion in contract services and recent rapid entry into the tropical plant rental business.'

GEC and Plessey provided the highlights in the electronics market with strong buying of both stocks, accompanying a report that news from the Ministry of Defence regarding the possible clearance of any renewed bid from GEC/Siemens could well be imminent.

Several motor stocks benefited from hopes of predatory moves. Jaguar responded to late speculation that Peugeot was running the rule over the UK luxury car maker and closed 10 up at 403p.

management buy-out because of his dissatisfaction with the market's valuation of the group's shares. There was again no shortage of stories concerning Burmah and Calor in the market.

NEW HIGHS AND LOWS FOR 1989

NEW HIGHS (cont.)
BENTLEY (cont.) up 2 1/2p to 10 1/2p.
BENTON & BOWLES (cont.) up 1 1/2p to 10 1/2p.

NEW HIGHS (cont.)
BENTLEY (cont.) up 2 1/2p to 10 1/2p.
BENTON & BOWLES (cont.) up 1 1/2p to 10 1/2p.

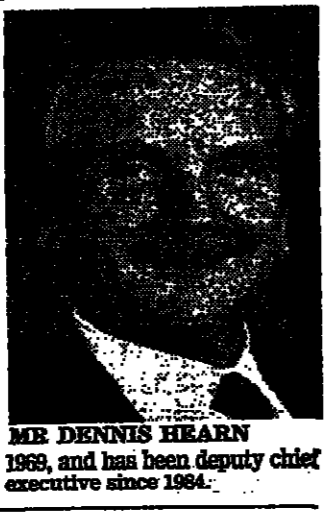
NEW HIGHS (cont.)
BENTLEY (cont.) up 2 1/2p to 10 1/2p.
BENTON & BOWLES (cont.) up 1 1/2p to 10 1/2p.

NEW HIGHS (cont.)
BENTLEY (cont.) up 2 1/2p to 10 1/2p.
BENTON & BOWLES (cont.) up 1 1/2p to 10 1/2p.

NEW HIGHS (cont.)
BENTLEY (cont.) up 2 1/2p to 10 1/2p.
BENTON & BOWLES (cont.) up 1 1/2p to 10 1/2p.

Managing director of Trusthouse Forte

Mr Dennis Hearn has been appointed group managing director and deputy chief executive at TRUSTHOUSE FORTE.



MR DENNIS HEARN
1989, and has been deputy chief executive since 1984.

Mr Michael Young has been appointed executive director of the FOOD SAFETY ADVISORY CENTRE.

Mr James I. Perry has been appointed sales and marketing director of BRITISH SPRINGS, part of United Industries, and maker of Duraflex vehicle suspension.

Mr David Townsend, deputy head, has been promoted to head of MIDLAND MONTAGU FUTURES. He is succeeded by Mr Michael Stone, who was an assistant director responsible for business development.

BEAZER DEVELOPMENTS has appointed Mr Christopher P. Mumday as managing director. He was divisional development director at Orbit Development Southern.

Mr C.S.J. Suzumecia, executive chairman of PLYSU, retires at the end of the year but will remain on the board as non-executive chairman.

LAZARD BROTHERS & CO has appointed Mr Steven Oliver as a non-executive director.

SUN ALLIANCE GROUP has made the following appointments in its European commercial insurance department. Mr Harry Driver becomes departmental manager; Mr Barry McConway, commercial insurance manager; Mr Jeremy Kelly, special risks insurance manager; and Mr Howard Butler, marketing and development manager.

Ms Sue Grice has been appointed financial director of KINGSWAY ROWLAND, part of Saatchi and Saatchi. She was financial controller, and remains company secretary.

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Advertisement for Security Pacific ADR services. Includes text: 'In my 30 years in this business, I've learned what makes a successful ADR depositary agent...' and 'EXPERTISE. Security Pacific's Sequor Group has knowledgeable people, outstanding broker/dealer relationships...'

WOOLWICH EQUITABLE BUILDING SOCIETY has appointed Mr Jerry Dennis as managing director. He was regional sales development manager with V.A.G. (United Kingdom).

AUSTRALIAN NATIONAL INDUSTRIES has appointed Mr Eric A. Brightmore as managing director of Aurora, Sheffield. He has been with the Aurora Group since 1977 when he was appointed managing director of Wm. Oxley & Co. He joined the Aurora board in 1985. Mr T. Dunlevy, senior financial controller in ANI, becomes

HERTZ EUROPE has appointed Mr Anthony Cam as regional vice president operations, Rent A Car. He has specific responsibility for

Mr Steve Wilson has been appointed managing director of CALLITHRICE UK. He succeeds Ms Claire Watson who has moved to head newly-formed Callithrache International.

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-625-2128

### FT UNIT TRUST INFORMATION SERVICE

#### AUTHORISED UNIT TRUSTS

Abney Unit Trust Mgrs Ltd (1989) 0345773737

Abney Unit Trust Mgrs Ltd (1989) 0345773737

Trust Name	Current Price	Change	Unit Price	NAV	Unit Price	NAV
Abney US Govt	101.0	0.0	101.0	101.0	101.0	101.0
Abney Divd Growth	100.0	0.0	100.0	100.0	100.0	100.0
Abney Mid Cap	100.0	0.0	100.0	100.0	100.0	100.0
Abney High Growth	100.0	0.0	100.0	100.0	100.0	100.0
Abney Int'l Growth	100.0	0.0	100.0	100.0	100.0	100.0
Abney Asia Pacific	100.0	0.0	100.0	100.0	100.0	100.0
Abney Europe	100.0	0.0	100.0	100.0	100.0	100.0
Abney Japan	100.0	0.0	100.0	100.0	100.0	100.0
Abney US Tech	100.0	0.0	100.0	100.0	100.0	100.0
Abney US Health	100.0	0.0	100.0	100.0	100.0	100.0
Abney US Energy	100.0	0.0	100.0	100.0	100.0	100.0
Abney US Indus	100.0	0.0	100.0	100.0	100.0	100.0
Abney US Govt	100.0	0.0	100.0	100.0	100.0	100.0
Abney US Divd	100.0	0.0	100.0	100.0	100.0	100.0
Abney US Mid Cap	100.0	0.0	100.0	100.0	100.0	100.0
Abney US High Growth	100.0	0.0	100.0	100.0	100.0	100.0
Abney US Int'l Growth	100.0	0.0	100.0	100.0	100.0	100.0
Abney US Asia Pacific	100.0	0.0	100.0	100.0	100.0	100.0
Abney US Europe	100.0	0.0	100.0	100.0	100.0	100.0
Abney US Japan	100.0	0.0	100.0	100.0	100.0	100.0
Abney US US Tech	100.0	0.0	100.0	100.0	100.0	100.0
Abney US US Health	100.0	0.0	100.0	100.0	100.0	100.0
Abney US US Energy	100.0	0.0	100.0	100.0	100.0	100.0
Abney US US Indus	100.0	0.0	100.0	100.0	100.0	100.0

#### Backmaster Management Co Ltd - Cont'd

Backmaster Management Co Ltd - Cont'd

Trust Name	Current Price	Change	Unit Price	NAV	Unit Price	NAV
Backmaster US Govt	101.0	0.0	101.0	101.0	101.0	101.0
Backmaster Divd Growth	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster Mid Cap	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster High Growth	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster Int'l Growth	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster Asia Pacific	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster Europe	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster Japan	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US Tech	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US Health	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US Energy	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US Indus	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US Govt	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US Divd	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US Mid Cap	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US High Growth	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US Int'l Growth	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US Asia Pacific	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US Europe	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US Japan	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US US Tech	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US US Health	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US US Energy	100.0	0.0	100.0	100.0	100.0	100.0
Backmaster US US Indus	100.0	0.0	100.0	100.0	100.0	100.0

#### Bank of Montreal - Cont'd

Bank of Montreal - Cont'd

Trust Name	Current Price	Change	Unit Price	NAV	Unit Price	NAV
Bank of Montreal US Govt	101.0	0.0	101.0	101.0	101.0	101.0
Bank of Montreal Divd Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal Mid Cap	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal High Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal Int'l Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal Asia Pacific	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal Europe	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal Japan	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US Tech	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US Health	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US Energy	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US Indus	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US Govt	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US Divd	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US Mid Cap	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US High Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US Int'l Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US Asia Pacific	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US Europe	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US Japan	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US US Tech	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US US Health	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US US Energy	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Montreal US US Indus	100.0	0.0	100.0	100.0	100.0	100.0

#### Bank of New York - Cont'd

Bank of New York - Cont'd

Trust Name	Current Price	Change	Unit Price	NAV	Unit Price	NAV
Bank of New York US Govt	101.0	0.0	101.0	101.0	101.0	101.0
Bank of New York Divd Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York Mid Cap	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York High Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York Int'l Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York Asia Pacific	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York Europe	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York Japan	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US Tech	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US Health	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US Energy	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US Indus	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US Govt	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US Divd	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US Mid Cap	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US High Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US Int'l Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US Asia Pacific	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US Europe	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US Japan	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US US Tech	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US US Health	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US US Energy	100.0	0.0	100.0	100.0	100.0	100.0
Bank of New York US US Indus	100.0	0.0	100.0	100.0	100.0	100.0

#### Bank of Scotland - Cont'd

Bank of Scotland - Cont'd

Trust Name	Current Price	Change	Unit Price	NAV	Unit Price	NAV
Bank of Scotland US Govt	101.0	0.0	101.0	101.0	101.0	101.0
Bank of Scotland Divd Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland Mid Cap	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland High Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland Int'l Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland Asia Pacific	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland Europe	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland Japan	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US Tech	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US Health	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US Energy	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US Indus	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US Govt	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US Divd	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US Mid Cap	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US High Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US Int'l Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US Asia Pacific	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US Europe	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US Japan	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US US Tech	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US US Health	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US US Energy	100.0	0.0	100.0	100.0	100.0	100.0
Bank of Scotland US US Indus	100.0	0.0	100.0	100.0	100.0	100.0

#### Bank of West - Cont'd

Bank of West - Cont'd

Trust Name	Current Price	Change	Unit Price	NAV	Unit Price	NAV
Bank of West US Govt	101.0	0.0	101.0	101.0	101.0	101.0
Bank of West Divd Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of West Mid Cap	100.0	0.0	100.0	100.0	100.0	100.0
Bank of West High Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of West Int'l Growth	100.0	0.0	100.0	100.0	100.0	100.0
Bank of West Asia Pacific	100.0	0.0	100.0	100.0	100.0	100.0
Bank of West Europe	100.0	0.0	100.0	100.0	100.0	100.0
Bank of West Japan	100.0	0.0	100.0	100.0	100.0	100.0
Bank of West US Tech	100.0	0.0	100.0	100.0	100.0	100.0
Bank of West US Health	100.0	0.0	100.0	100.0	100.0	100.0
Bank of West US Energy	100.0	0.0	100.0	100.0	100.0	100.0
Bank of West US Indus	100.0	0.0	100.0	100.0	100.0	100.0
Bank of West US Govt	100.0	0.0	100.0	100.0	100.0	100.0
Bank of West US Divd	100.0	0.0	100.0	100.0	100.0	100.0
Bank of West US Mid Cap	100.0	0.0	100.0			

صكنا من الامل

FT UNIT TRUST INFORMATION SERVICE

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Main table containing unit trust information with columns for company name, unit price, and other details. Includes sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

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Main table containing unit trust information, organized into columns for various categories like 'UK Unit Trusts', 'Overseas Unit Trusts', 'Guernsey Unit Trusts', etc. Each entry includes the fund name, price, and other financial details.

OFFSHORE AND OVERSEAS

GUERNSEY (SIB RECOGNISED)

MANAGEMENT SERVICES

LUXEMBOURG (SIB RECOGNISED)

JERSEY (SIB RECOGNISED)

JERSEY (\*\*)

SWITZERLAND (SIB RECOGNISED)

GUERNSEY (\*\*)

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FT UNIT TRUST INFORMATION SERVICE

Table containing FT Unit Trust Information Service data, including columns for fund names, prices, and performance metrics. Sub-sections include 'ISLE OF MAN', 'LUXENBOURG', and 'OTHER OFFSHORE FUNDS'.

LONDON SHARE SERVICE

Table containing London Share Service data, including columns for fund names, prices, and performance metrics. Sub-sections include 'BRITISH FUNDS', 'BRITISH FUNDS - Contd', 'COMMONWEALTH & AFRICAN LOANS', 'FOREIGN BONDS & RAILS', and 'AMERICANS'.

Table containing Money Market Bank Accounts and Money Market Trust Funds data, including columns for bank names, account types, and interest rates.

LONDON SHARE SERVICE

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Main table containing various share price listings categorized by industry: AMERICANS - Contd, BUILDING, TIMBER, ROADS, DRAPERY AND STORES - Contd, ENGINEERING - Contd, INDUSTRIALS (Misc.) - Contd, CANADIANS, BANKS, HP & LEASING, CHEMICALS, PLASTICS, BEERS, WINES & SPIRITS, BUILDING, TIMBER, ROADS, DRAPERY AND STORES, ENGINEERING, HOTELS AND CATERERS, INDUSTRIALS (Misc.), and INSURANCES.



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LONDON SHARE SERVICE

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INSURANCES - Contd. Table listing various insurance companies and their share prices.

LEISURE. Table listing leisure-related companies and their share prices.

MOTORS, AIRCRAFT TRADES. Table listing companies in the motor and aircraft sectors.

NEWSPAPERS, PUBLISHERS. Table listing newspaper and publishing companies.

PAPER, PRINTING, ADVERTISING. Table listing companies in the paper, printing, and advertising industries.

SHIPPING. Table listing shipping companies.

SHOES AND LEATHER. Table listing companies in the shoes and leather industry.

SOUTH AFRICANS. Table listing South African companies.

PAPER, PRINTING, ADVERTISING - Contd. Table listing various paper, printing, and advertising companies.

PROPERTY. Table listing property-related companies.

TOBACCO. Table listing tobacco companies.

TRUSTS, FINANCE, LAND. Table listing trusts, finance, and land companies.

TRUSTS, FINANCE, LAND - Contd. Table listing various trusts, finance, and land companies.

TRUSTS, FINANCE, LAND - Contd. Table listing various trusts, finance, and land companies.

TRUSTS, FINANCE, LAND - Contd. Table listing various trusts, finance, and land companies.

TRUSTS, FINANCE, LAND - Contd. Table listing various trusts, finance, and land companies.

TEXTILES. Table listing textile companies.

TRUSTS, FINANCE, LAND. Table listing trusts, finance, and land companies.

TRUSTS, FINANCE, LAND - Contd. Table listing various trusts, finance, and land companies.

TRUSTS, FINANCE, LAND - Contd. Table listing various trusts, finance, and land companies.

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TRUSTS, FINANCE, LAND - Contd. Table listing various trusts, finance, and land companies.

TRUSTS, FINANCE, LAND - Contd. Table listing various trusts, finance, and land companies.

TRUSTS, FINANCE, LAND - Contd. Table listing various trusts, finance, and land companies.

OIL AND GAS - Contd. Table listing oil and gas companies.

OVERSEAS TRADERS. Table listing overseas trading companies.

PLANTATIONS. Table listing plantation companies.

MINES. Table listing mining companies.

MINES - Contd. Table listing various mining companies.

MINES - Contd. Table listing various mining companies.

MINES - Contd. Table listing various mining companies.

MINES - Contd. Table listing various mining companies.

MINES - Contd. Table listing various mining companies.

THIRD MARKET. Table listing third market companies.

THIRD MARKET - Contd. Table listing various third market companies.

THIRD MARKET - Contd. Table listing various third market companies.

THIRD MARKET - Contd. Table listing various third market companies.

THIRD MARKET - Contd. Table listing various third market companies.

THIRD MARKET - Contd. Table listing various third market companies.

THIRD MARKET - Contd. Table listing various third market companies.

NOTES. Additional information and notes regarding the share prices.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and yen lose ground

THE DOLLAR finished below its best level yesterday on a day remarkable for its lack of trading volume. The US unit was marked down in early trading, falling to take advantage of a weaker tone in the Japanese yen. Investors remain cautious because there is an overriding feeling that US interest rates are set on a course of gentle decline as the US authorities move to minimize the possibility of an economic recession.

Following the poor showing by the ruling Liberal Democratic Party in Sunday's elections in Japan. However, attempts to push the dollar firmer against the yen soon encouraged profit-taking. But the Japanese unit was again lower against the D-Mark, the latter rising to Y75.28 from Y74.96 on Monday.

The pound's exchange rate index closed at 92.4, down from 92.6 on Monday. Sterling was higher against a weaker dollar at \$1.6295 but lost ground against the D-Mark to DM3.0800 from DM3.0500. It was unchanged against the yen at ¥231.75 but fell elsewhere to FF10.4550 from FF10.4700 and SF2.6525 compared with SF2.6625.

FINANCIAL FUTURES

Weak tone ahead of trade data

UNCERTAINTY ahead of today's release of UK trade figures for June reduced both the value of short sterling contracts and the turnover in LIFFE trading yesterday. Volume was also curtailed by the proximity of today's strike by UK rail workers. Many investors were content to square off their positions in the hope that there will be plenty of time to react to the data.

short sterling fell below support at 86.30 but avoided testing 86.23, and recovered to finish at 86.20, up from 86.27 at the opening, but down from Monday's close of 86.33.

stabilising influence on cash rates, and the September bond rose to 95.52 from 95.37 on Monday.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates with columns for Country, Currency, and Rate. Includes entries for Belgium, France, Germany, Italy, etc.

LIFFE LONG GILT FUTURES OPTIONS

Table showing LIFFE Long Gilt Futures Options with columns for Strike, Call, Put, and Puts-rollovers.

LIFFE US TREASURY BILL FUTURES OPTIONS

Table showing LIFFE US Treasury Bill Futures Options with columns for Strike, Call, Put, and Puts-rollovers.

LIFFE EURO FUTURES OPTIONS

Table showing LIFFE Euro Futures Options with columns for Strike, Call, Put, and Puts-rollovers.

IN NEW YORK

Table showing In New York market data with columns for Spot, 1 month, 3 months, 6 months, and 12 months.

ADJUSTED SPOT-FORWARD AGAINST THE POUND

Table showing Adjusted Spot-Forward Against the Pound with columns for Date, Day's price, and One month, Three months, Six months, One year.

LIFFE 5% GILT

Table showing LIFFE 5% Gilt with columns for Strike, Call, Put, and Puts-rollovers.

LIFFE CURRENCY BILL FUTURES OPTIONS

Table showing LIFFE Currency Bill Futures Options with columns for Strike, Call, Put, and Puts-rollovers.

LIFFE SHORT STERLING FUTURES OPTIONS

Table showing LIFFE Short Sterling Futures Options with columns for Strike, Call, Put, and Puts-rollovers.

STERLING INDEX

Table showing Sterling Index with columns for Date, 8.30 am, 10.00 am, 11.00 am, 1.00 pm, 2.00 pm, 3.00 pm, 4.00 pm.

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Table showing Dollar Spot-Forward Against the Dollar with columns for Date, Day's price, and One month, Three months, Six months, One year.

LIFFE 2 1/2 YEAR GILT

Table showing LIFFE 2 1/2 Year Gilt with columns for Strike, Call, Put, and Puts-rollovers.

LIFFE CURRENCY BILL FUTURES OPTIONS

Table showing LIFFE Currency Bill Futures Options with columns for Strike, Call, Put, and Puts-rollovers.

LIFFE SHORT STERLING FUTURES OPTIONS

Table showing LIFFE Short Sterling Futures Options with columns for Strike, Call, Put, and Puts-rollovers.

CURRENCY RATES

Table showing Currency Rates with columns for Currency, Rate, and Special Rates.

EURO-CURRENCY INTEREST RATES

Table showing Euro-Currency Interest Rates with columns for Currency, Term, and Rate.

LIFFE 1 YEAR GILT

Table showing LIFFE 1 Year Gilt with columns for Strike, Call, Put, and Puts-rollovers.

LIFFE CURRENCY BILL FUTURES OPTIONS

Table showing LIFFE Currency Bill Futures Options with columns for Strike, Call, Put, and Puts-rollovers.

LIFFE SHORT STERLING FUTURES OPTIONS

Table showing LIFFE Short Sterling Futures Options with columns for Strike, Call, Put, and Puts-rollovers.

CURRENCY MOVEMENTS

Table showing Currency Movements with columns for Currency, Rate, and Movement.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates with columns for Currency, Rate, and Movement.

LIFFE 3 MONTH GILT

Table showing LIFFE 3 Month Gilt with columns for Strike, Call, Put, and Puts-rollovers.

LIFFE CURRENCY BILL FUTURES OPTIONS

Table showing LIFFE Currency Bill Futures Options with columns for Strike, Call, Put, and Puts-rollovers.

LIFFE SHORT STERLING FUTURES OPTIONS

Table showing LIFFE Short Sterling Futures Options with columns for Strike, Call, Put, and Puts-rollovers.

OTHER CURRENCIES

Table showing Other Currencies with columns for Currency, Rate, and Movement.

MARKETS

UK rates steadier

INTEREST RATES were virtually unchanged in London yesterday, not because of a lack of direction but because investors were unwilling to carry exposed positions ahead of today's release of UK trade figures for June. Furthermore, turnover is likely to be reduced as a result of yet another one-day strike on the UK rail system.

local authority bills and £16m of eligible bank bills in hand 1 and £50m of bank bills in hand 2, all at 12 1/2 per cent. In Frankfurt, the Bundesbank announced a sale and repurchase tender at a fixed rate of 6.80 per cent. The result of the tender will be announced today, when successful applicants for the 28-day facility receive their allocations, coinciding with a maturing agreement that drains DM6.8bn from the system. The decision to offer a fixed-rate tender is seen as underlying the authorities' desire for interest rate stability.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing with columns for 3 months US dollars, 6 months US dollars, and 3 months US dollars.

MONEY RATES

Table showing Money Rates with columns for New York, London, and other rates.

LONDON MONEY RATES

Table showing London Money Rates with columns for Overnight, 7 days notice, One month, Three months, Six months, One year.

EUROPEAN OPTIONS EXCHANGE

Table showing European Options Exchange with columns for Series, Vol, Last, and other data.

FAIRBANKS FINANCIAL logo and text.

MORTGAGES/ REMORTGAGES advertisement with text: ARE YOU AWARE THAT THERE IS FOREIGN INTEREST IN YOUR MORTGAGE? and contact number 01-385 5544.

Société Nationale des Chemins de Fer Belges (S.N.C.B.) advertisement with text: Nationale Maatschappij der Belgische Spoorwegen (N.M.B.S.) and US\$ 75,000,000 Floating Rate Notes due 1991.

KREDBANK S.A. LUXEMBOURGEOISE advertisement.

JOTTER PAD advertisement.

CROSSWORD advertisement with text: No.6,995 Set by DANTE.

Crossword puzzle grid.

Crossword puzzle clues and solutions.

سوق الاسهم

WORLD STOCK MARKETS

Main table containing stock market data for various countries including Austria, Belgium/Luxembourg, Denmark, Finland, France, Germany, Italy, Japan, Korea, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and Taiwan. Each country section lists stock symbols, prices, and percentage changes.

CANADA section containing stock market data for various Canadian companies, including Bell Canada, Canadian National, and others, with columns for stock price, high, low, and change.

INDICES section containing data for major stock indices such as the Dow Jones Industrial Average, Nikkei 225, and others, showing values and percentage changes.

NEW YORK DOW JONES section containing detailed data for the Dow Jones Industrial Average, including historical values and percentage changes over time.

CANADA section containing data for Canadian stock indices and active stocks, including the Toronto Stock Exchange and various individual company listings.

TOKYO - Most Active Stocks section containing a list of the most active stocks in the Tokyo market, including company names, prices, and changes.

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3pm prices July 26

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices, organized in columns with headers for '12 Month', 'High', 'Low', 'Open', 'Close', 'Change', 'Vol', 'Bid', 'Ask', and 'Last'. It lists hundreds of individual stock entries.

Advertisement for 'Reliable Computers' featuring 'Renowned Monitors' and 'SAMSUNG Electronics'.

سوق من الامم

NYSE COMPOSITE PRICES

Main table of NYSE Composite Prices with columns for stock symbols, prices, and changes. Includes a sub-section for 'AMEX COMPOSITE PRICES' at the bottom left.

OVER-THE-COUNTER

Nasdaq national market, 3pm prices July 26

Main table of Over-the-Counter prices with columns for stock symbols, prices, and changes. Includes a small text box at the bottom right with the heading 'It's attention to detail'.

Small text box containing financial data and notes, possibly related to the NYSE section.

It's attention to detail. Not providing the financial Times in business class, that makes a great host.



AMERICA

Indecision about rally erodes early advance

Wall Street

EQUITIES fluctuated yesterday as uncertainty grew about whether the recent rally could continue, writes Janet Bush in New York.

index, some analysts believe there should be a large correction before the market can build extensive gains.

There was some excitement in the bond market, although it did not produce any large price movements.

is preliminary. If the Fed has started to ease policy, it is something of a surprise.

built up a 3.5 per cent stake. AMR benefited from the revival of takeover speculation in the airlines sector and rose 1 1/2% to \$67.

Brazil repairs some of the damage after June plunge

But trading difficulties remain, writes John Barham

WHEN Brazil's worst stock market scandal sent prices plunging by 54 per cent in early June, most observers agreed that the severe damage would take a long time to repair.

THE MEXICAN stock market index jumped 3.7 per cent on Monday to reach 376,554 points following the conclusion of debt negotiations with the commercial banks.

Fund was up 5.3 per cent, Tamsa (steel pipe manufacturer) 5.2 per cent, and Telmax (the state telecommunications monopoly) 5 per cent.

ASIA PACIFIC

Nikkei climbs to record as turnover swells

Tokyo

HOPES for a post-election summer rally came a step closer to fulfillment as share prices surged to new highs and volume recovered strongly yesterday, writes Michiko Nakamoto in Tokyo.

were unchanged. The Topix index rose a hefty 37.46 to 2,534.07 and, in London trading, the ISE/Nikkei 50 index gained 4.17 to 2,061.22.

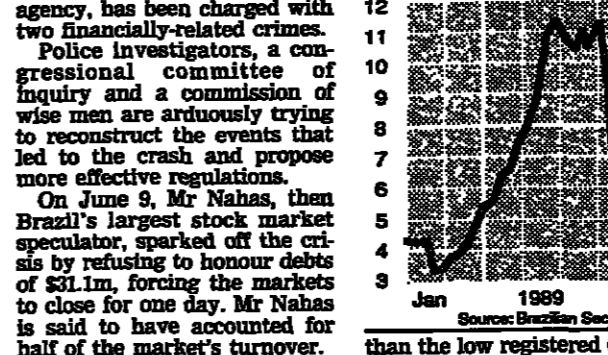
traded with 32.7m shares and Sekisui followed with 30.7m.

on low volume, defying domestic and international opinion.

Record property prices, including yesterday's \$81,161 per sq ft for Cecil Court, are a reminder that Hong Kong money and talent is moving into Singapore, said an analyst.

Brazil: Sao Paulo

Bovespa Index (\$ terms)



than the low registered on July 3, but still a long way below its 1989 high of 13,274 points registered four days before the market collapsed.

The Nikkei average advanced 445.57 to a record high of 24,538.90. This is the first time the Nikkei average has reached a new high since May 31.

The relative stability on the currency markets in the wake of the ruling party's defeat also helped renew confidence in equities.

Gains in housing and interest rate-sensitive issues in Osaka supported a 22.72 point rise in the OSSE average.

Record property prices, including yesterday's \$81,161 per sq ft for Cecil Court, are a reminder that Hong Kong money and talent is moving into Singapore, said an analyst.

SEATTLE rose sharply following three consecutive sessions of declines, and the composite index closed at 899.10, up 8.67.

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Current trading difficulties include rumours of a new round of bankruptcies among brokerages which frequently shake the market.

Trading on inside information is as rife as ever. Policing is still lax and small investors have little faith in shares.

EUROPE

Frankfurt 'tickled' to another 1989 high

THE direction of Wall Street again provided a lead for many bourses in the absence of news at home, and performances varied from new highs in Frankfurt and Stockholm to thin, weak trading in Zurich, writes Our Markets Staff.

Monday and is said to be considering a dividend increase, picked up DM10 to DM2,165.

after a stronger opening on Wall Street, analysts said the underlying tone was positive but many investors were reluctant to jump into the market during the quiet holiday period.

The economy is in good shape, said one broker, and corporate earnings for 1989 are expected to be good, but people tend to take profits when the holiday season is coming up.

an ABSENCE of incentives left Johannesburg inactivated in this trading. Gold shares were caught in the doldrums in spite of a firm bullish price.

With equities losing much of their speculative nature, however, trading has contracted abruptly. In Rio de Janeiro, where speculation was most intense, daily turnover now averages only \$12m to \$13m, compared with volumes 10 times greater before the fall.

Consensus is emerging that future stock exchange presidents must be professional managers, instead of being elected from exchange members.

any of these overdue changes, then the grief it caused may not have been entirely in vain.

He added, however, that the market could now face a period of consolidation, especially if the US market were to suffer a significant setback.

Biotechnology stock Gist Brocades gained FI 1.40 to FI 34.60 after trading resumed following its decision to abandon its takeover of rival ACF Holdings.

Volume was estimated at a low FF1.6bn-FF2.2bn after only FF720m on Monday. The OHEP index rose 1.76 to close at the day's high of 504.36 and the CAC 40 index was up 5.67 at 1,781.5.

Some shares bucked the downturn in moderate volume, including retailer Rinascente, up L100 at L5,160.

STOCKHOLM finished at another record high in quiet trading. Early losses were turned around at midday following better than expected producer price figures.

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FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns for NATIONAL AND REGIONAL MARKETS, MONDAY JULY 24 1989, FRIDAY JULY 21 1989, and DOLLAR INDEX. Rows list various countries and indices like Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, and The World Index.

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